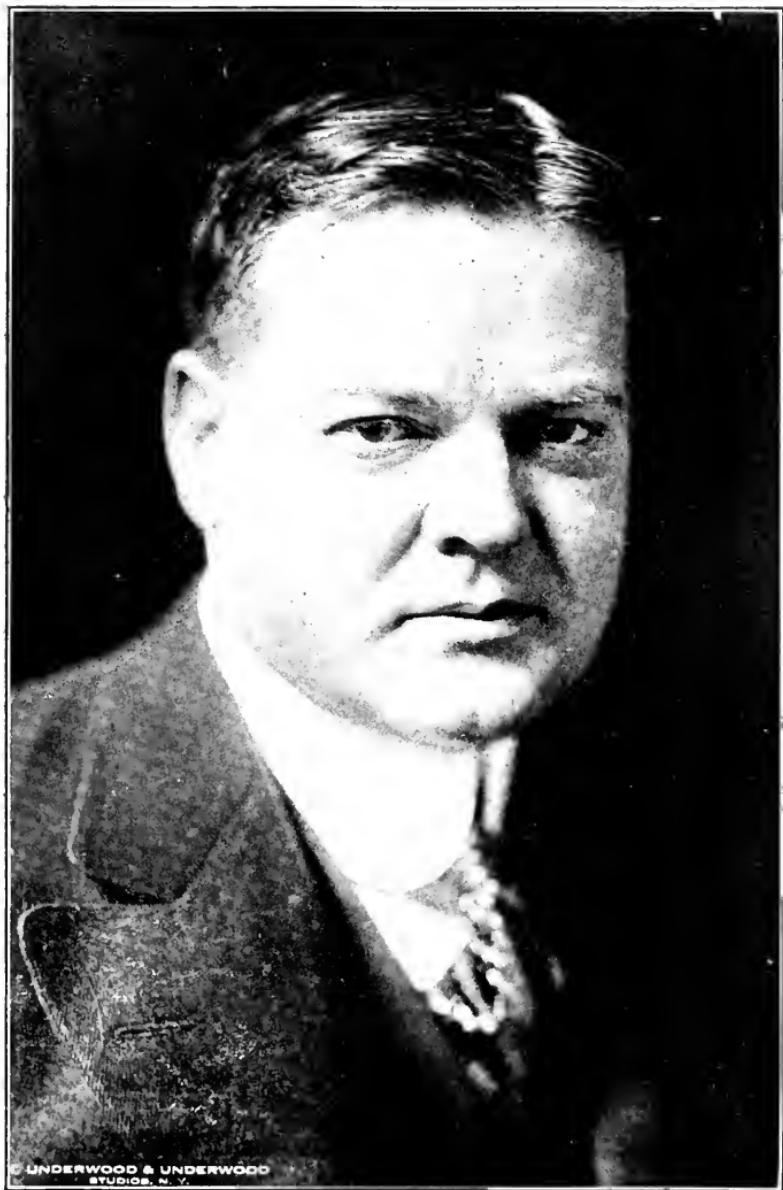


**HERBERT HOOVER**  
**THE MAN AND HIS WORK**







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Herbert Hoover

# HERBERT HOOVER

## THE MAN AND HIS WORK

BY  
**VERNON KELLOGG**

AUTHOR OF "HEADQUARTERS NIGHTS," ETC.



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DEDICATED  
TO MY COMPANIONS OF THE  
C. R. B.



## PREFACE

No man can have reached the position in the public eye, can have had such influence in the councils of our own government and in the fate of other governments, can have been so conspicuously effective in public service as has Herbert Hoover, without exciting a wide public interest in his personality, his fundamental attitude toward his great problems and his methods of solving them. This American, who has had to live in the whole world and yet has remained more truly and representatively American than many of us who have never crossed an ocean or national boundary line, is an object of absorbing interest today among the people of his native land. He is hardly less interesting to millions in other lands. He has carried the American point of view, the American manner, the American qualities of heart and mind to the far corners of the earth. He has no less revealed again, as other great Americans have done before him, these American attributes to America itself.

## PREFACE

Many questions are being asked about the life and experiences of this man before he entered upon his outstanding public service and about the details of his personal participation in the work of the great wartime private and governmental organizations under his direction.

This book is the attempt of an observer, associate and friend to tell, simply and straightforwardly, the personal story of the man and his work up to the present.

V. K.

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## THE MAN AND HIS WORK

### CHAPTER I

#### CHILDREN

IT WAS a great day for the children of Warsaw. It was a great day for their parents, too, and for all the people and for the Polish Government. But it was especially the great day of the children. The man whose name they all knew as well as their own, but whose face they had never seen, and whose voice they had never heard, had come to Warsaw. And they were all to see him and he was to see them.

He had not announced his coming, which was a strange and upsetting thing for the government and military and city officials whose business it is to arrange all the grand receptions and the brilliant parades for visiting guests to whom the Government and all the people wish to do honor. And there was no man in the world to whom the Poles could wish to do more

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honor than to this uncrowned simple American citizen whose name was for them the synonym of savior.

For what was their new freedom worth if they could not be alive to enjoy it? And their being alive was to them all so plainly due to the heart and brain and energy and achievement of this extraordinary American, who sat always somewhere far away in Paris, and pulled the strings that moved the diplomats and the money and the ships and the men who helped him manage the details, and converted all of the activities of these men and all of these things into food for Warsaw—and for all Poland. It was food that the people of Warsaw and all Poland simply had to have to keep alive, and it was food that they simply could not get for themselves. They all knew that. The name of another great American spelled freedom for them; the name Herbert Hoover spelled life to them.

So it was no wonder that the high officials of the Polish Government and capital city were in a state of great excitement when the news suddenly came that the man whom they

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had so often urged to come to Poland was really moving swiftly on from Prague to Warsaw.

Ever since soon after Armistice Day he had sat in Paris, directing with unremitting effort and absolute devotion the task of getting food to the mouths of the hungry people of all the newly liberated but helpless countries of Eastern Europe, and above all, to the children of these countries, so that the coming generation, on whom the future of these struggling peoples depended, should be kept alive and strong. And now he was preparing to return to his own country and his own children to take up again the course of his life as a simple American citizen at home.

But before going he wanted to see for himself, if only by the most fleeting of glimpses, that the people of Poland and Bohemia and Servia and all the rest were really being fed. And especially did he want to see that the children were alive and strong.

When he came to Paris in November, 1918, at the request of the President of the United States, to organize the relief of the newly liber-

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ated peoples of Eastern Europe, terrible tales were brought to him of the suffering and wholesale deaths of the children of these ravaged lands. And when those of us who went to Poland for him in January, 1919, to find out the exact condition and the actual food needs of the twenty-five million freed people there, made our report to him, a single unpremeditated sentence in this report seemed most to catch his eyes and hold his attention. It did more: it wetted his eyes and led to a special concentration of his efforts on behalf of the suffering children. This sentence was: "We see very few children playing in the streets of Warsaw." Why were they not playing? The answer was simple and sufficient: The children of Warsaw were not strong enough to play in the streets. They could not run; many could not walk; some could not even stand up. Their weak little bodies were bones clothed with skin, but not muscles. They simply could not play.

So in all the excitement of the few hours possible to the citizens of Warsaw and the Government officials of Poland to make hurried

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preparation to honor their guest and show him their gratitude, one thing they decided to do, which was the best thing for the happiness of their guest they could possibly have done. They decided to show him that the children of Warsaw could now walk!

So seventy thousand boys and girls were summoned hastily from the schools. They came with the very tin cups and pannikins from which they had just had their special meal of the day, served at noon in all the schools and special children's canteens, thanks to the charity of America, as organized and directed by Hoover, and they carried their little paper napkins, stamped with the flag of the United States, which they could wave over their heads. And on an old race-track of Warsaw, these thousands of restored children marched from mid-afternoon till dark in happy, never-ending files past the grand stand where sat the man who had saved them, surrounded by the heads of Government and the notables of Warsaw.

They marched and marched and cheered and cheered, and waved their little pans and cups

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and napkins. And all went by as decorously and in as orderly a fashion as many thousands of happy cheering children could be expected to, until suddenly from the grass an astonished rabbit leaped out and started down the track. And then five thousand of these children broke from the ranks and dashed madly after him, shouting and laughing. And they caught him and brought him in triumph as a gift to their guest. But they were astonished to see as they gave him their gift, that this great strong man did just what you or I or any other human sort of human being could not have helped doing under like circumstances. They saw him cry. And they would not have understood, if he had tried to explain to them that he cried because they had proved to him that they could run and play. So he did not try. But the children of Warsaw had no need to be sorry for him. For he cried because he was glad.

But the children of Warsaw were not the only children of Poland that Hoover was interested in and wanted to see. His Polish family was a large and scattered one; there were nearly a million children in it altogether, and

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some of them were in Lodz and some in Cracow and others in Brest-Litovsk and Bielostok and even in towns far out on the Eastern frontier near the Polish-Bolshevist fighting lines. But of course he could not visit all of them, and much less could he hope to visit all the rest of his whole family in Eastern Europe. For while an especially large part of it was in Poland, other parts were in Finland, Estonia, Latvia and Lithuania, and some of it was in Czecho-Slovakia and Austria, and other parts were in Hungary, Roumania, and Jugo-Slavia. Altogether this large and diverse family of Mr. Hoover's in Eastern Europe numbered at least two and a half million hungry children. And it only asked for his permission to be still larger. For at least a million more babies and boys and girls thought they were unfairly excluded from it, because they were sure that they were poor and weak and hungry enough to be admitted, and being very hungry, and not being able to get enough food any other way, was the test of admission to Mr. Hoover's family.

When the American Relief Administration,

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which was the organization called into being under Hoover's direction in response to President Wilson's appeal to Congress soon after the armistice, saw that its general assistance to the new nations could probably be dispensed with by the end of the summer of 1919, the director realized that some special help for the children would still be needed. The task of seeing that the underfed and weak children in all these countries of Eastern Europe, extending from the Baltic to the Black Sea, received their supplementary daily meals of specially fit and specially prepared food, could not be suddenly dropped by the American workers. There could be no confidence that the still unstable and struggling governments would be able to carry it on successfully. But with the abolition of the blockade and the incoming of the year's harvest, and with the growing possibility of adequate financial help through government and bank loans, the various new nations of Eastern Europe could be expected to arrange for an adequate general supply of food for themselves without further assistance from the American Relief Administration.



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Just what the nature and methods of this assistance were, and how the one hundred million dollars put into the hands of the Relief Administration by Congress were made to serve as the basis for the purchase and distribution to the hungry countries of over seven hundred million dollars' worth of food, with the final return of almost all of the original hundred million to the United States Government (if not in actual cash, at least in the form of government obligations), will be told in a later chapter. Also how it was arranged, without calling on the United States Government for further advances, that the feeding of the millions of hungry children of Eastern Europe could go on as it is now actually going on every day under Hoover's direction, until the time arrives, some time this summer, when it can be wholly taken over by the new governments.

But just now I want to tell another story.

## CHAPTER II

### THE CHILD AND BOY

THE account of Mr. Hoover's sympathetic interest in the child sufferers from the Great War, and of his active and effective work on their behalf, makes one wonder about his own childhood. He is not so old that his childhood days could have been darkened by the one war which did mean suffering to many American children, especially those of the South. He was not born in the South, nor of parents actually afflicted by poverty, and did not spend his early days in any of the comparatively few places in America, such as the congested great city quarters and industrial agglomerations of poor and ignorant foreign working-people, where real child distress is common; so he certainly did not, as a growing child, have his ears filled with tales of child suffering, or with the actual crying of hungry children.

There was one outstanding fact, however,

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in his relations as a child to the world and to the people most closely about him, which may have had its influence in making him especially susceptible to the sight of child misfortune. This is the fact that he, like many of his later wards in Europe, was orphaned at an early age. But he was by no means a neglected orphan. So I hardly think that his own personal experience as an orphan is a sufficient explanation of the passionate interest in the special fate of the children, which he displayed from the beginning of the war to its end.

Nor can the explanation lie in the coldly reasoned conclusion that the most valuable relief to a people so stricken by catastrophe that its very existence as a human group is threatened, is to let whatever mortality is unavoidable fall chiefly to the old and the adult infirm for the sake of saving the next generation on which alone the future existence of the group depends. This actual fact Hoover always clearly saw; but the thing that those close to him saw quite as clearly was that this alone accounted for but a small part of his intensive attention to the children.

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It is, then, neither any sad experience in his own life, nor any sociologic or biologic understanding of the hard facts of human existence and racial persistence, that does much to explain his particular devotion to the health and comfort of the millions of suffering children in Europe. The explanation lies simply, although mysteriously, in his own personality. I say mysteriously, for, despite all the wonderful new knowledge of heredity that we have gained since the beginning of the twentieth century, the way by which any of us comes to be just the sort of man he is is still mostly mystery. Herbert Hoover is simply a kind of man who, when brought by circumstances face to face with the distress of a people, is especially deeply touched by the distress of the children, and is impelled by this to use all of his intelligence and energy to relieve this distress. What we can know of his inheritance and early environment may indeed reveal a little something of why he is this kind of man. But it certainly will not reveal the whole explanation.

Herbert Hoover, or, to give him for once his full name, Herbert Clark Hoover, was born

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on August 10, 1874, in a small Quaker community of Iowa which composed, at the time of his birth, most of the village of West Branch in that state. That is, he usually says that he was born on August 10, but sometimes he says that this important day was August 11. He seems to slide his birthday back and forth to suit the convenience of his family when they wish to celebrate it. He does this on the basis of the fact that when, in the midst of the general family excitement in the middle of the night of August 10-11, one of the busy Quaker aunts present bethought herself, for the sake of getting things straight in the family Bible, to say: "Oh, doctor, just how long ago was it that baby was born?" she got the following answer, "Just as near an hour ago as I can guess it." Thereupon she looked at the clock on the wall, and the doctor looked at his watch, and both found it exactly one o'clock of an important new morning! >

Herbert's Quaker father, Jesse Clark Hoover, died in 1880, and his Quaker mother, Hulda Minthorn, in 1884. The father had had the simple education of a small Quaker

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college and was, at the time of **Herbert's** birth, the "village blacksmith," to give him the convenient title used by the town and country people about. But really he was of that ambitious type of blacksmith, not uncommon in the Middle West, whose shop not only does the repairing of the farm machines and household appliances, but manufactures various homely metal things, and does a little selling of agricultural implements on the side. **Jesse Hoover's** mind was rather full of ideas about possible "improvements" on the machines he repaired and sold. And his two sons, **Herbert** and **Theodore**, and **Herbert's** two sons, **Herbert, Jr.**, and **Allan**, are all rather given to the same "inventiveness" about the home.

**Hulda Randall Minthorn Hoover**, **Herbert's** mother, was a woman of unusual mental gifts. After her husband's death she gave much attention to church work, and became a recognized "preacher" at Quaker meetings. In this capacity she revealed so much power of expression and exhortation that she was in much demand. Her death, in 1884, came from typhoid fever.

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Those who knew her speak of her “personal-  
ity.” They say that she had color and attract-  
iveness, although she was unusually shy and  
reserved. One can say exactly the same things  
of her son Herbert.

The immediate Hoover ancestry is Quaker. The more remote is Quaker mixed with Dutch and French Huguenot. The Dutch name was spelled with an *e* instead of the second *o*. All of Herbert’s grandparents were Quakers, and the Quaker records run back a long time. One of the family branches runs into Canada, with the story of a migration there of a group of refugees from the American colonies during the Revolution. These emigrants came from prosperous farms in Pennsylvania, but while they wanted to be free from England’s control, they could not, as Quakers, agree to fight for this freedom. So as the neighbors were inclined to be a little “unpleasant” about this, and as Canada was just then offering free farms to colonists, they packed up their movables and *trekked* north.

Another Canadian branch, French Hugue-  
not in origin, has traditions of hurried removals

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from France into Holland before St. Bartholomew's Night, and of later escapes into the same country. But all finally decided that Europe anywhere was impossible, and hence they determined on a wholesale emigration to Canada. Here by chance they settled down side by side with the little Quaker group which had come from Pennsylvania. Close association and intermarrying resulted in the Quakerizing of the European Huguenots—their beliefs were essentially similar, anyway—so in time all the descendants of this double Canadian line were Quakers.

There were two other children in Jesse and Hulda Hoover's family: one a boy, Theodore, three and a half years older than Herbert, and the other a girl, Mary, who was very much younger. Theodore, like his younger brother, became a mining engineer, and after a dozen years of professional and business experience with mines all over the world—part of the time in connection with mining interests directed by his brother—is now the head of the graduate department of mining engineering in Stanford University.

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After the father's and mother's death, the three Hoover orphans came under the kindly care of various Quaker aunts and uncles, and especially at first of Grandmother Minthorn. This good grandmother took special charge of little Mary, and pretty soon carried her with her out to Oregon, where she had a son and daughter living. There had been a little property left when the father died, enough to provide a very slender income for each child. But if the dollars were few the kind relatives were not, and the little Hoovers never suffered from hunger.

These relatives were not limited to Iowa, and the boy Herbert soon found himself in a new and strange environment, surrounded by a different race of human beings, whose red-brown skin and fantastic trappings greatly excited his boyish wonder and imagination. For he was sent to live with his Uncle Laban Miles, U. S. Government Indian Agent for the Osage tribe in the Indian Territory, who was one of the many Quakers who had dedicated their lives to the cause of the Indians at that time. Here Herbert spent a happy six or eight

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months, playing with some little cousins and learning to know the original Americans. For when other pastimes palled there were always the strange and wonderful red people to watch and wonder about.

But his life among the original Americans was interrupted by the solicitous aunts and uncles, who, realizing that an abundance of barbarians and a paucity of schools might not be the best of surroundings for a child coming to its first years of understanding, decided on bringing him back into a more civilized and Quakerish environment; at least one less marked by tomahawks, bows and arrows, and other tangible suggestions of a most un-Quakerish manner of life.

So he was sent back to Iowa, where he lived for two very happy years in the home of Uncle Allan Hoover. To this uncle, and to his wife, Aunt Millie, the impressionable boy became strongly attached. And there were some energetic young cousins always on hand to play with. The older brother Theodore, or Tad, was living at this time with another uncle, a prosperous Iowa farmer, also much loved by both

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of the boys. He lived near enough to permit frequent playings together of the two, and on another farm, with Grandmother Minthorn, was still the baby sister Mary, who was, however, too young to be much of a playmate for the brothers. Indeed, the country all around bristled with the kindly uncles and aunts and other relatives and playmates, all interested in making life comfortable and happy for the little orphans.

There was also an especially attractive little black-eyed girl, Mildred Brook, who lived on a near-by farm, who later went to the same Quaker academy at Oskaloosa as Theodore, and is now Mrs. Theodore Hoover. In those days she was known as "Mildred of the berry-patches," as all the children for miles around associated her in their minds with the luxuriant vines on the farm of her Uncle Bransome with whom she lived. Her home was the children's Mecca in the berry season.

Herbert Hoover's memories of those days are filled with lively incidents and boyish farm adventure. There was the young calf, mutual property of himself and a cousin of like age,

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which was fitted out with a boy-made harness and trained to work, eventually getting out of hand in a corn field and dragging the single-shovel cultivator wildly across and along rows of tender growing grain. Later the calf was restored to favor when it was triumphantly attached to a boy-made sorghum mill, which actually worked, and pressed out the sweet juice from the sorghum cane.

Winter had its special joys of skates and sled; spring came with maple-sugaring, and summer with its long days filled with a thousand enterprises. There were fish in the creek which you might catch if you could sit still long enough, without too violent wiggling of the hook when the float gave its first faint indications of a bite. It was two miles to school, and most of the time the children had to walk. But that was only good for them, and there was, of course, a good deal of churchgoing and daily family prayers, but there were always convenient laps for tired little heads—being in church was the necessary thing, not being awake in church.

It was a joyous and wholesome two years,

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the kind that thousands of Mississippi Valley farms have given to hundreds of thousands of American little boys; the kind that gives them a good start in health and happiness towards a sturdy and simple adolescent life. But the time had come for young Herbert to learn new surroundings. For some reason, apparently not clearly remembered now, it was decided by the consulting uncles and aunts that young Herbert should go to Oregon, and join the Hoover and Minthorn relatives there. Perhaps, even probably, it was because of the presumably superior educational advantages of Oregon in the existence of the Newberg Pacific Academy that led to the decision. We may imagine that Herbert uttered no affirmative vote in the conclave that decided on his departure from the Iowa farm, and when he once got out to the superior place, he was less than ever in favor of the proceeding. But the conscientious uncles and aunts were inexorable as the Fates.

They meant to be the kindest of Fates, of course. They knew that they knew so much better than the little boy what was best for

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him. And probably they did. But this little pawn on the chessboard of life, moved about with ever so excellent intention by firm and confident hands, must have thought sometimes that he would have liked to have some little part in deciding these moves. But if one starts as pawn, one must find the way as pawn clear across the board to the king row before one can come to the higher estate of the nobler pieces.

The actual going from Iowa to far-away Oregon was not so unbearable, because of the excitement of the tremendous journey and the actual fun of it. It was not made, to be sure, as Herbert would have preferred it, in a long train of picturesque prairie schooners, drawn up in a circle each night to repel attacking Indians, as his storybooks described all trans-continental journeys; but in an overfull tourist-car on the railroad. Herbert's most vivid memories of the week's journey are of the wonderful lunch baskets and boxes filled with fried chicken, boiled hams, roast meats, countless pies and layer-cakes, caraway-seed cookies, and great red apples. **Herbert Hoover had no food troubles in those days!**

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Arrived in Oregon he found himself in the family of Uncle John Minthorn, his mother's brother, a country doctor of Newberg, and the principal of the superior educational institution. Uncle John did not live on a farm, but on the edge of a small town, which was a mistake, according to Herbert's way of looking at it. And the Pacific Academy of Newberg, Oregon, could not be compared in interest with the district village school of West Branch, Iowa.

After two or three years of life with Dr. John, young Herbert was handed over to the care of a Grandfather Miles, for Dr. John decided to give up country doctoring in order to go into the land business "down in Salem," the capital city. Therefore, as little Herbert's schooling in the academy which he was attending all the time he was living with Dr. John, could not be interrupted, he was placed in the home of this Grandfather Miles on a farm just on the edge of the academy town.

Herbert's life with Grandfather Miles does not seem to have been a very happy one, for the old gentleman did not believe in spoiling

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little boys by too much kindness. There were many chores to do before and after school, and little time for playing. And the chores just had to be done, and not be forgotten as they sometimes were. Probably this strictness of discipline was a good thing for the small boy. But, like other small boys, he did not like it. So, also, like many other small boys, he decided to run away.

Running away may not be the exclusive prerogative of young Americans, but some way it is hard for me to picture European boys of fourteen going off on their own. And yet perhaps they do. At any rate it is such a favorite procedure with us that hardly one of us—I mean by us, American males—has not had a try at it or connived at some neighbor's son trying it. My own experience was only that of a conniver. A schoolmate of thirteen, whose father believed in a more vigorous method of correcting wayward sons than my father did, ran away from his house to as far as our house. There my brother and I secreted him in a clothes-closet for the nearly three hours of freedom that he enjoyed in half-smothered

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state. Then the stern father came over, discovered him and haled him away to proper discipline. I shall never forget the howls of the captured fugitive, nor the triumphant and accusing remark to us, shouted by the terrible capturer as he dragged off his victim: "Now ye see what liars ye are!" For, of course, we had done our impotent best to throw the hunter off the track. It was several days before I could lie again without a violent trembling.

But Herbert Hoover ran away for keeps. He did not run away to ship before the mast or to kill Indians. Nor did he run very far, only to Portland and to Salem, which his geography had already taught him were the principal city and capital, respectively, of the state of Oregon. And he ran away with the full knowledge and even tolerance of his relatives. But he went away to be independent, and to fit himself for the special kind of college to which he had already decided to go. In Salem he lived again with his Uncle John, helping in the real estate business, but in Portland he lived entirely on his own.

That part of his reason for running away

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which was connected with preparing for a college of his own choosing seems to have come about because of a difference of opinion that had arisen between young Herbert and his Quaker relatives with regard to the future course of his education. They had taken it quite as a matter of course that from the little Quaker academy in Newberg he would go to one of the reputable Quaker colleges of the country. But Herbert had come to a different idea about this matter of further education, and, as is characteristic of him, this idea had led to a decision, and the decision was on the rapid way to lead to action. In other words, Herbert had made up his mind that he wanted to study science, and for that purpose wanted to fit himself for and go to a modern scientific university. Also, he wanted to be, just as soon as he possibly could, on an independent financial footing. He probably did not express these wishes, in his boy's vocabulary, by any such large mouthful of phrases; he probably said to himself, "I want to earn my own living, and go to a university where I can learn science." (Just what led him to the decision about the

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modern university and science is not easy for the grown-up Herbert Hoover of to-day to tell. But he is pretty sure that a large part of this determination came from the casual visit of a man whom he had never seen before and has never seen or heard of since, but who was an old friend of his father.

This man, on his way through the town to look at a mine he owned somewhere in eastern Oregon, dropped off at Newberg so that he might see the little son of his Iowa friend. He was a "mining man," and, from the impression that Mr. Hoover still has of him, probably a mining engineer. He stayed at the local hotel for two or three days, and saw what he could of young Herbert between school-hours and chore-times. His conversation was apparently mostly about the difference in the work and achievements in the world of the man who had a profession and the one who had not. It was illustrated, because the speaker was a miner, by examples in the field of mining. The talk also was much about engineering in general and about just what training it was necessary for a boy to have in order to become a good

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engineer, with much emphasis put on the part in this training which was to be got from a university. He also explained the difference between a university and a small academy-college.

And then the man went on to his mine. He invited the fascinated boy to go with him for a little visit, but permission for this was not obtained. The trails of this man and Herbert Hoover have never touched again, and yet this stray mining engineer, whose name, even, we do not know, almost certainly was more responsible than any other external influence in determining Hoover's later education and adopted profession.

In Portland Herbert got a job in a real estate office as useful boy-of-all-work, including particularly the driving of prospective purchasers about to see various alluring corner lots in town and inviting farmsteads in the surrounding country. For his work he received sufficient wages to pay for all of his very modest living. He had hoped to go to the high school to prepare himself for college, but found that he could not do this and earn his full

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wages at the same time. So as the wages were a first necessity, he gave up his high-school plans and devoted himself to study at nights and odd hours of the day. He discovered a little back room in the real-estate office half filled with old boxes and bags, of which no one else seemed to be aware, and this he fitted up with a bed, a little table and a lamp, and made of it, with a boy's enthusiasm—especially the enthusiasm of a boy who had known Indians—a secret cave in which he lived in a mysterious and exciting way. He slipped out to little restaurants and cheap boarding-places for his meals.

He remembers once standing fascinated before a sign that read: "Table d'hôte, 75 cents"; but after thinking twice of indulging in a single great eating orgy, he decided that no human stomach, much less his own small one, could possibly hold all the food that seventy-five cents would pay for, and that therefore he could not get all of his money's worth. So he went on to some fairer bargain.

There was a bank-vault just across the alley from his secret back room in the real estate

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office, and many a night did young Herbert lie awake in his cave hearing his imaginary bank-robbers mining their way into the vault and escaping with much rich treasure. But mostly young Herbert studied in that secret cave of his, and that he studied hard and to good purpose is proved by the fact that in little more than two years he felt himself ready to attempt the entrance examinations for college.

## CHAPTER III

### THE UNIVERSITY

For some time the newspapers had been full of accounts of the founding and approaching opening of Stanford University at Palo Alto, California. Soon after Leland Stanford, Jr., the only child of Senator and Mrs. Leland Stanford, died in Rome in 1884, the Stanfords announced their intention to found and endow with their great wealth a new university in California. The romantic character of the founding and the picturesque setting of the new university in the middle of a great ranch on the shores of lower San Francisco Bay, with the foothills of the Santa Cruz Mountains rising from its very campus, its generous provision for students unable to meet the expenses of the older institutions of the East, and the radical academic innovations and freedom of selection of studies decided on by the Stanfords and David Starr Jordan, the eminent scientific

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man selected to be the first president of the new university—all this, together with the evident strong leaning of the institution toward science, as revealed by the character of the president, faculty and curriculum, combined to assure young Hoover that this was the modern scientific university of his dream, just made to order for him.) It was exactly the place where he could become a mining engineer like the wonderful man he had always remembered.

So when it was announced in the Portland <sup>Note</sup> papers that a professor from Stanford would visit the city in the early summer of 1891, to hold entrance examinations for the university, which was to open in the autumn, Herbert decided to try the examinations.) But when he came to compare thoughtfully his store of knowledge with the published requirements he would have to meet, he found that his self-preparation had been rather one-sided. For in this preparation he had followed his inclinations more than the prescribed schedules of college entrance requirements. Why should one waste a lot of time, he had thought, and be

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bored during the wasting, by studying grammar if one could already talk intelligibly to people? And why should one not revel in complicated problems of figures and geometrical designs that really took some hard thinking to work out, if hard thinking was just what one liked to do?

So, much to his distress he found out, as the examinations went on, that he was decidedly unprepared in some of the required lines such as grammar, rhetoric, etc. And even in mathematics, his favorite study and the one in which he made his best showing, he had not been able to cover, in his limited time for study, the whole ground required for college entrance. He seemed doomed to be refused the coveted certificate of admission.

But the Fates worked for him. In the first place, Professor Swain, the examining professor—now president of Swarthmore College—was the head of Stanford's department of mathematics. In the second place, he was a Quaker, and a man who liked the right sort of boys. And so a candidate who was a little weak in the languages, but was strong in arith-

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metic and geometry—and was a brave Quaker boy, besides—was not to be too summarily turned down.)

This kind and wise examiner has described to me, recently, how he was first attracted to the young Quaker in the group of candidates before him by his evident strength of will. "I observed," (said President Swain,) "that he put his teeth together with great decision, and his whole face and posture showed his determination to pass the examination at any cost. He was evidently summoning every pound of energy he possessed to answer correctly the questions before him. I was naturally interested in him. (On inquiry I learned that he had studied only two books of Plane Geometry, and was trying to solve an original problem based on the fourth book.) While he was unable to do this, he did much better; for the intelligence and superior will he revealed in the attempt convinced me that such a boy needed only to be given a chance. (So although he could not pass all of the tests, I told him to come to my rooms at the hotel after the examinations, as I would like to talk with him.) (He came

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promptly at the appointed hour with a friend of his, the son of a banker in Salem, Oregon. The two boys invited me and Mrs. Swain to stop at Salem to visit them, which we did. I learned there that Herbert Hoover, for that was the boy's name, was an industrious, thoughtful, ambitious boy earning his own living while he studied."

All this was enough for the wise teacher. And an arrangement was mutually agreed on between examiner and examined to the effect that if young Hoover would work diligently for the rest of the summer on the literary necessities of the situation, and come on early to Stanford for a little special coaching, he might consider his probabilities for admission to the university so high as to be reckoned a sure thing.)

{ Well, it all turned out as desired by both candidate and examiner. And Herbert Hoover was enrolled the following October among the first students, the "pioneer class" of Stanford University, and was actually the first Stanford student to inhabit the beautiful great new dormitory called Encina Hall. } It was not only

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his university of dreams come true, but it was really to be the university of his graduation, the *alma mater* of a boy without any other mother. And it was the university of which he was to become, in later successful years, a patron and trustee. Stanford did much for Herbert Hoover; but so has he done much for Stanford.

Any university means many things, for all their lives, to those who have come timidly and wonderingly to its doors as boys and girls, and have gone out on that final day of happy reward and tearful good-byes as men and women eager to try themselves against the world outside of sheltered school-rooms. And most of these things are to most persons who have known them, things of pleasant and loving memory.

Stanford is like any other university in this relation to its graduates. But there seems to be something unusually strong and yet at the same time unusually intangible in the ties that bind its former students to it. Perhaps the explanation lies as much in the special character of its students, at least its pioneer ones, as in

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the special character of the institution itself. The students who came to Stanford in its earlier years came because it was different from other colleges, and because they did this it is likely that they themselves were different from other students. Like the restless, seeking pioneers that came over the desert and mountains to the Pacific Coast to find a different life from that of worn tradition and old ways, their descendants and the later coming youth, who had mixed with them and been infected by their seeking spirit, flocked to this institution that offered a different kind of college atmosphere.

Its low-arcaded quadrangle of mission buildings of yellow stone and heavy red tiles, nestling under high hills that run back to mountains, surrounded by wide grain fields flecked with rounded live-oaks and tall strange eucalyptus trees, and neighbored by great barns and well-kept paddocks and exercising tracks in which sleek trotting horses of famous Palo Alto breeding lounged or trained, was a strange new setting for studying Greek and Latin and mathematics and science.

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*“Die Luft der Freiheit weht”* is the Stanford motto; and there was truly no more likely place for the winds of freedom to blow than over and through this college on a California ranch. And its founders did well to find for its first head a man than whom no other American scholar had given clearer indications of being anxious to break with clogging scholastic tradition.

The university itself, so tenderly conceived as a memorial to a boy lost to his parents, and so generously established as an opportunity for other boys, some of whom, like the hero of our story, might have had their parents lost to them, is an almost unique example of a great educational institution maintained by the fortune of a single family. All of the Stanford millions are returned today to the country in which they were accumulated in the form of a great endowment and of the beautiful halls in which thousands of students have found a free training for independent existence and right citizenship. These students wear the Stanford cardinal as a red badge of obligation, not anarchy. No other college in

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the country had more of its sons and daughters, in proportion to their total number, devoting themselves to their country's service during the Great War. If Herbert Hoover was the most distinguished of the serving sons of Stanford he was not more eager and devoted than many others.

But we leave Our Hero waiting too long upon the threshold of his dream university come true. It had been agreed, you remember, between young Hoover and his friendly examiner in Portland that the candidate for admission should come to the Stanford Farm—which is the students' name for the campus, and which literally described it in those beginning days—before the time of the opening of the university to be coached in the two or three studies in which his preparation was deficient.

So he came down from the North a month before the announced time for opening, a lonesome boy without any friends at Stanford except the good Quaker professor of mathematics, and with all of his savings from the “real estate business” tucked away in an inside

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pocket. They amounted in grand total to about two hundred dollars.

It was less simple getting to Stanford in those first days than it is now. There was not even a beginning then of the beautiful thriving town of Palo Alto that stands today with convenient railway station, just at the entrance to the long palm-lined avenue that runs straight up to the main university quadrangle. It was all grain field then, part of the great Hopkins estate, where now the college town welcomes the annually incoming Freshmen, and offers them convenient lodging places of all grades of comfort and quick trams and motor busses to the university.

Young Hoover had to get off at Menlo Park, the station for a few great country houses of California railway and bonanza kings, which offered no welcome for small boys with a few saved dollars in their inside pockets. He had to find a casual hackman to carry him and his bag and trunk to the university a couple of miles away. But even there he found no place yet ready to house him. So someone advised him to go to Adelanta Villa, a mile or

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more back from the university, in the hills, where a number of the early arrivals among the men of the new faculty were living. And there he did go, and found a warm and simple welcome and hospitality. He was soon ensconced in the old mansion and doing odd jobs about the establishment to help pay for his board and lodging.

Between jobs he was feverishly at work on the finishing touches for his final entrance tests, and probably quite as feverishly worrying about them. He felt pretty safe on everything but the requirements in English composition. As a matter of fact, when he came to that fearful test he ignominiously failed in it, and, indeed, did not finally get the required credit in it until nearly ready to graduate! But he was passed in enough of the entrance requirements to be given Freshman standing, "conditioned in English," a phrase not unfamiliar to other college students. He had, however, added something to his score by a Hooverian *tour de force*.

Noting that a credit was offered in physiology, about which he knew nothing techni-

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cally, he reasoned that as everyone, of course, knew already a little something about his insides and how they worked, one ought to be able to find out a little more from some textbook, and that the two littles might make enough for passing purposes. Thereupon with that prompt and positive reaction to stimulus which has been conspicuously characteristic of him all his life, he got a book, read it hard all of the day and night before the examination—and passed in physiology!

The story of Herbert Hoover's college life reveals no startling features to distinguish it from the college careers of other thousands of boys, endowed with intelligence, energy, and ambition, but not with money, and hence forced to earn their living as they went along. Nevertheless it does reveal many of the main characteristics that we know so well today. For he did things all through those four years in the same way that he does them today, promptly, positively, and quietly. They were mostly already done before it was generally recognized that he was doing them.

**His two hundred dollars could not last long**

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even in a college of no tuition fees and an unusually simple student life. He had to earn his way all the time, and he earned it by hard work, directed, however, by good brains. Many a story, most interesting but, unfortunately, mostly untrue, has been told of his various expedients to earn the money necessary for his board and lodging, clothes, and books. Not a few of these stress his expertness as waiter in student dining-rooms. Undoubtedly he would have been an expert waiter if he had been a waiter at all. But he was not. A famous San Francisco chef has often been quoted in interesting detail as to the "hash-slinging" cleverness of the future American food controller in the dining-room which this chef managed—by the way, just *after* Hoover left college—in the great Stanford dormitory in those early days. But, though interesting, these details are mythical. As are also the accounts of the care he took of professorial gardens, although that would have been an excellent substitute for the outdoor exercise and play which he found little time for in college except in geological field excursions and camps. Nor was he ever

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nurse to the professorial babies, which also has been often placed to his credit by imaginative story-tellers.

For at the very beginning of his college life Herbert Hoover and another distinguished son of Stanford, known to the early students as Rex Wilbur and to the present ones as Prex Wilbur—for he is now the university's president—put their heads together and decided that if they had any brains at all in those heads they would make them count in this little matter of earning their way through college. And both of them did.

In most of the things that Herbert Hoover did as a college boy to earn his needed money he revealed an unusual faculty for "organizing" and "administering" which is precisely a faculty that as a man he has revealed to the world in highest degree. He organized, at some profit to himself, the system of collecting and distributing the laundry of the college boys which had been done casually and unsatisfactorily by various San José and San Francisco establishments. He acted also as impresario, at a modest commission, for various lecturers

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and musicians, developing an arrangement for bringing visiting stars from San Francisco to the near-by university.

More important in its permanent influence on student activities was his work in reorganizing the system of conducting general student body affairs, especially the financial side of these affairs. In his Senior year he had been made treasurer of the student body and on taking office found little treasure and much confusion. Each of the many student activities had its own separate being, its own officers and own funds—or debts—and a dangerous freedom from general student control. Hoover worked out a system by which all control was vested in the officers of the general student body, and all funds passed into and out of a general treasury. The Hoover system of student affairs management prevails, in its essential features, in the university today.

In later years, as trustee of the university, he was the initiating figure in reorganizing the handling of all the institution's many million dollars worth of properties, and so his organizing genius is evidenced today at Stanford

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both in the management of student activities and in the handling of the financial affairs of the whole university.

But the work that he did in his student days that paid him best, because it brought him more than money, was that which he did partly for, and partly at the recommendation of his “major” professor, Dr. John Casper Branner, a great geologist and remarkable developer of geological students.

Dr. Branner has been one of Stanford’s greatest assets from the day of its opening in all his successive capacities as professor, vice-president, and president, and he still wields a benign influence on the institution as resident professor and president emeritus. It was the particular good fortune of young Hoover to find that his early decision to become a mining engineer, like the wonderful man who had visited him in Newberg, led him, when he came to the university, into the class-rooms and laboratories of this kind and discerning scholar. Dr. Branner quickly discovered “good material,” something that he was always looking for, in this industrious, intelligent, and ambi-

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tious Quaker boy; and Herbert Hoover found in his major professor not only a teacher but a friend, who, in both relations, has had a great influence, all for the best, in his life. It is an interesting illumination of the democracy of American education to note that while the professor became the university's president the student became one of its trustees.

The first money-earning work that student Hoover did for Dr. Branner, except for various little jobs about the laboratory or office, was a summer's work on a large topographic model of Arkansas which that state was having prepared by Dr. Branner after a new method devised by him. Part of this summer was spent in the field in Arkansas and the rest of it wrestling with the model in the basement of the professor's house.

Two summers were spent in work with the U. S. Geological Survey in the California Sierras around Lake Tahoe and the American River under Waldemar Lindgren, one of the greatest of American scientific mining engineers. This work was on the relations of the famous Sierra placer gold deposits to the

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original gold-bearing veins and lodes, and resulted in tracing those comparatively recent placers back to the old mountain slopes and valleys. It was a fascinating problem successfully carried through. The young geologist's association with Lindgren, whose standards of personal character and regard for the dignity and ethics of his profession were of the highest, was a source of much valuable education.

All this summer activity was of value to young Hoover not only for the help it afforded him in his struggle for existence, and for the outdoor exercise it involved, but for the practical experience in geological work which it gave him to mix in with his lecture room and laboratory acquisitions and to test them by. He seemed to have no difficulty in getting all of this kind of work he had time to do. In fact, some of the other students used to speak a little enviously and suggestively about "Hoover's luck" in this connection. Dr. Branner happened to overhear some remarks of this kind from a group around a laboratory table one day and promptly broke out on them in his forcible manner.

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“What do you mean,” he said, “by talking about Hoover’s luck? He has not had luck; he has had reward. If you would work half as hard and half as intelligently as he does you would have half his luck. If I tell any one of you to go and do a thing for me I have to come around in half an hour to see if you have done it. But I can tell Hoover to do a thing, and never think of it again. I know it will be done. And he doesn’t ask me how to do it, either. If I told him to start to Kamchatka tomorrow to bring me back a walrus tooth, I’d never hear of it again until he came back with the tooth. And then I’d ask him how he had done it.”

Dr. Branner was as kind to his boys as he was stern when sternness was needed. Hoover came down with typhoid in his Junior year, just at a time when his finances could not afford such an expensive luxury. So Dr. Branner sent him to a hospital and saw that he was cared for by the best of physicians and nurses and told him to forget about paying for it all until after he had graduated. And that probably meant that the good professor had to go for some time without buying books, which

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was what he usually did with his extra money.

Another unfortunate illness was announced to the busy student by an outbreak of little red spots on his body which were declared by the college physician to be the result of poison oak. But they were not; they meant measles, and measles needs prompt attention. Unfortunately young Hoover's neglected case affected his eyes to such an extent that for several years afterward he had to wear glasses. And out of this grew the familiar Stanford tradition that Herbert Hoover ruined his eyes while in college by over-much night work on his studies!

As a matter of fact Hoover was no college grind. He studied hard enough at what he liked or thought important for his fitting to be a mining engineer, but he did not dodge getting a few credits from well-known "snap" courses, and he got through other required, but, to his mind, superfluous ones without doing much more work on them than necessary. He had a disconcerting habit of starting in on a course and then if he found it uninteresting or unpromising as a contributor to the special edu-

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cation he was interested in, of simply dropping out of the class without consultation or permission. But he did dig hard into what he thought really counted; his record in the geology department was an unusually high one.

But with all his work and study he found time for some other kinds of activity. At least the two Irwin boys, Will and Wallace, who were Stanford's most ingenious disturbers of the peace in pioneer days, claim that Hoover, in his quiet effective way, made a few contributions of his own to the troubles of the faculty. But such contributions from others were generally credited—or rather debited—to the more notorious offenders, so that they had to suffer not alone for their own brilliant inspirations but for those of other less conspicuous collaborators. Wallace, for what seemed to the faculty sufficient reasons, was, as he has himself phrased it, "graduated by request," while Will had his Senior year encored by the faculty, so that it took him five years, instead of the more conventional four, to graduate. In fact, I remember that even as this fifth year was drawing near its close, the faculty com-

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mittee of discipline, of which I was a reluctant member, seriously considered letting Will go in the same way that Wallace had gone. But some of us argued that if we should let Will graduate in the more usual way we should be rid of him soon anyway and without risking the bare possibilities of doing him an injustice. President Jordan always maintained that Will had good stuff in him, and he used his ameliorating influence with the faculty committee. So Will Irwin is today one of Stanford's best-known alumni.

Herbert Hoover's haunting trouble all through his college course was that unpassed entrance requirement in English composition. Indeed, he did not pass in it until about a week before he graduated, although he tried it regularly every semester all through his four years. How he finally got his passing mark has been told me by Mrs. Hoover. She knows because she was there through most of the long agony.

After failing regularly at each semester's trial principally, he thinks (and Mrs. Hoover is inclined to agree), because he always had

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to take it under a particularly meticulous instructor, his predicament began to worry even his professors in the geology department. It looked as if their star student might not be allowed to graduate. Finally a date was set by the English department for a last trial before the end of his Senior year.

A day or two before this date the professor of paleontology, J. P. Smith, famed not only for his erudition but for his especial kindness to all geology students—especially if they did well in paleontology—came to the worrying Senior with a paper that Hoover had written sometime before on a paleontological subject, and said to him: “Look here, you will never pass that examination in the state you are in. Take this paper; it’s fine. Copy it in your best hand; remember that handwriting goes a long way with professors of English; look up every word in the dictionary to be sure you have got the right one; then put in all the punctuation marks you ever saw, and bring it back to me.” Hoover did it.

Then Professor Smith disappeared with the paper in his study, but soon came out with it,

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abundantly blue-penciled. "Now take it and re-copy it with all these indicated changes, and bring it back again." Again the interested Senior obeyed his mentor. Then the professor left the laboratory with the paper in his hand. Hoover awaited his return with ever-increasing interest. Pretty soon he came back with a cheerful smile, handed Hoover the paper, and said: "Well, you've passed; although you probably don't deserve it."

Professor Smith, it seems, had carried the paper, not to the fatal instructor, but to the head of the English department and had said to him: "See here; your instructor is holding up the best man we have from graduating. Now look at this paper of Hoover's. Is there anything the matter with it? Doesn't it make good sense? Isn't it well written? Isn't it well punctuated?"

The English head glanced over it impatiently—he was translating Dante, his dearest recreation, at the moment—and then roared out: "Well, it looks all right. I suppose Instructor X has to live up to the rules, but if the boy can do this well for you it's good

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enough for us." And with his Dante pencil he wrote a large "Passed" across the paper.

Someway all this does not sound like an account of life at the conventional university. Nor does Professor J. P. Smith, who used to interrupt his lecture to wake up a dozing student with a sharp but kindly "Here, Jack, wake up, this is an important point and I will surely ask about it in examination," seem to be of the conventional type of professor. And most Freshmen coming to Yale or Harvard would hesitate a little before taking the advice of some workman about the campus to go, with bag and trunk, in search of board and lodging to a house full of professors.

But as I said at the beginning, Stanford was different. It is precisely because it was, that Hoover's particular college experiences and acquisitions were what I have tried to suggest, and not what you might think they would be from your knowledge of other universities. And while Stanford has converged somewhat with years toward the more usual university type—colleges get more alike as they get older—it has still an atmosphere peculiarly its own.

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But it was in the first days that this atmosphere was so very distinctive. Its president and faculty and students, all living closely together in the middle of a great ranch of seven thousand acres of grain fields, horse paddocks, and hills where jack rabbits roamed and coyotes howled, were thrown together into one great family, whose members depended almost entirely on one another for social life. And each department was a special smaller family within the great one. Life was simple and direct and democratic. Real things counted first and most; there was little sophistication. Work was the order of the day; recreations were wholesome.

The geology family was an especially close and happy one. Some of Dr. Branner's former assistants and students had followed him out to California. They were the older members of the family. Almost all of them are now well-known geologists and mining engineers. So also are many of his younger ones. The family went on long tramps and camps together. The region about Stanford is singularly interesting from a geologist's point of

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view; and in those days it was a *terra* more or less *incognita*. Everybody was discovering things. It was real live geology. Lectures and recitations were illustrated, not by lantern slides, but by views out of the window and revelations in the field.

And at the same time these young geologists learned real life; they had come to know intimately real men and women, all fired with the enthusiasm of a new venture, new opportunities, and a high ideal. With all this, Herbert Hoover learned, in particular, one additional very important thing. He learned that a certain unusual girl, beautiful, intelligent, and unspoiled, a lover of outdoors, and, as proof of her unusualness, a "major" student in geology, was the girl for him. Having learned this he decided to marry her. And later, she decided that he had decided right.

And so with all his experience at earning his living by organizing anything needing organizing, and with his stores of geological lore gained from lecture room and textbook and field work and close personal association with his able and friendly professors, and, finally,

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with the knowledge that he had already found exactly the right girl for him, Herbert Hoover went out from Stanford, in 1895, with his Pioneer Class, ready to open his oyster. But he had only himself to rely on in doing it.

## CHAPTER IV

### THE YOUNG MINING ENGINEER

HERBERT HOOVER began his mining career very simply and practically by taking his place as a real workman in a real mine, with no favors shown, following in this the emphatic advice given by Dr. Branner to every student graduating from his department. He went up into the mining region near Grass Valley in the Sierras where he had already studied with Waldemar Lindgren, and became a regular miner, a boy-man with pick and shovel working long hours underground or sometimes on the surface about the plant. But always he had his eyes wide open and always he was learning. He preferred the underground work because he wanted first to know more about the actual occurrence of the ore in the earth than about the mill processes of extracting the mineral from it.

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Here he worked for several months, and gradually rose to the position of night shift-boss or gang foreman. But he began to realize that he was exhausting the learning opportunities of this particular place and kind of work, and so one night deep down in the mine, when for sudden lack of ore-cars or power or some other essential, work was held up for the last half hour of his shift, he went off into a warm corner, curled himself up in a nice clean wheelbarrow and slept away the last half hour of his pick and shovel experience.

He had decided to get into association, some way, with the best mining engineer on the Coast. There was no question about who this was at that time. It was Louis Janin in San Francisco. So he appeared at Mr. Janin's office as a candidate for a job, any job so that it was a job under Louis Janin.

But the famous engineer, well disposed as he was toward giving intelligent, earnest young men who wanted to become mining engineers, a chance, had to explain that not only was there no vacant place in his staff but that a long waiting list would have to be gone

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through before Hoover's turn could come. He added, as a joke, that he needed an additional typist in his office, but of course—. The candidate for a job interrupted. "All right, I'll take it. I can't come for a few days, but I'll come next Tuesday, say." Janin was a little breathless at the rapidity with which things seemed to get settled by this boyish, very boyish, young man, but as they were apparently really settled he could only say, "All right."

Now the reason that the new typewriter boy could not begin until next Tuesday—this was on a Friday—was that he had in the meantime to learn to write on a typewriter! Trivial matter, of course, in connection with becoming a mining engineer, but apparently necessary. So learning what make of machine he would have to use in the office, he stopped, on his way to his room, at a typewriter shop, rented a machine of proper make, and by Tuesday had learned to use it—after a fashion.

That kind of boy could not remain for long a typist in the office of a discerning man like Louis. Perhaps certain idiosyncrasies of

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spelling and a certain originality of execution on the machine helped bring about a change of duties. But chiefly it was because of a better reason. This reason was made especially clear by an incident connected with an important mining case in which Janin was serving as expert for the side represented by Judge Curtis Lindley, famous mining lawyer of San Francisco. The papers which indicated the line of argument which Judge Lindley and Mr. Janin were intending to follow came to Hoover's desk to be copied. As he wrote he read with interest. The mine was in the Grass Valley region that he knew so well. He not only copied but he remembered and thought. The result was that when the typewriter boy delivered the papers to the mining engineer they were accompanied by the casual statement that the great expert and the learned attorney were all wrong in the line of procedure they were preparing to take! And he proceeded to explain why, first to Mr. Janin's indignant surprise but next to his great interest, because the explanation involved the elucidation of certain geologic facts not yet published to the world,

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which the type-writer boy had himself helped to discover during his work in the Grass Valley region.

The outcome was that Janin and his new boy went around together to Judge Lindley's office where after due deliberation the line of argument was altered. The further result was that the boy parted from his type-writer, first to begin acting as assistant to various older staff men on trips to various parts of the Coast for mine examinations, then to make minor examinations alone, and finally to handle bigger ones. The letters from the young mining engineer to the girl of the geology department, still at Stanford, came now in swift succession from Nevada, Wyoming, and Idaho, and then very soon after from Arizona and New Mexico. Little mines did not require much time for examination and reports signed "Hoover" came into Janin's office with bewildering rapidity. Janin liked these reports; they not only showed geological and mining knowledge, but they showed a shrewd business sense. The reporter seemed never to lose the perspective of cost and organization possibilities in

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relation to the probable mineral richness of the prospects. And the reports said everything they had to say in very few and very clear words.

Herbert Hoover was not only moving fast; he was learning fast, and he was rising fast in Janin's estimation. He had a regular salary or guarantee now with a certain percentage of all the fees collected by Janin's office from the properties he examined. What he was earning now I do not know, but we may be sure it was considerably more than the forty-five dollars a month which he had begun with as typewriter boy, a few months before.

The work was not entirely limited to the examination of prospects and mines. In one case at least it included actual mine development and management. Mr. Janin had in some way taken over, temporarily—for such work was not much to his liking: he preferred to be an expert consultant rather than a mine manager—a small mine of much value but much complication near Carlisle, New Mexico. This he turned over to his enterprising assistant to look after.

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It was Hoover's first experience of the kind, and it was made a rather hectic one by conditions not technically a regular part of mining. The town, or "camp," was a wild one with drunken Mexicans having shooting-bees every pay day and the local jail established at the bottom of an abandoned shaft, not too deep, into which the prisoners were let down by windlass and bucket. It was an operation fairly safe if the sheriff and his assistants were not too exhilarated to manage the windlass properly, or the malefactors, too drunk to hang on to the bucket. Otherwise, more or less regrettable incidents happened. Also, it led to a rather puzzling situation when the sheriff had to take care of his first woman prisoner, a negro lady of generous dimensions and much volubility.

But the mine was well managed and Hoover acquired more merit with his employer. And soon came the new chance which led to much bigger things. It was now the spring of 1897, two years after Hoover's graduation, and the time of the great West Australia mining boom. English companies were sending out many

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engineers, old and young, to investigate and handle mining properties in the new field, and were looking everywhere for competent men. Janin was asked by one of these London firms to recommend someone to them. He talked it over with Hoover, telling him that it might be a great opportunity. It might, of course, not be; it would depend on the prospect—and the man who handled it. Janin expressed his entire confidence in the young man before him, and his belief that the opportunity was greater than any the Pacific Coast then had to offer. He would be more than glad to keep Hoover with him, but he wanted to be fair to him and his future. The young man was all for giving hostages to fortune, and so the recommendation, the offer, and the acceptance flew by cable between San Francisco and London, and Hoover prepared to start at once to England for instructions, as had been stipulated in the offer.

Just before he started, however, Janin caused him some uneasiness by saying, "Now look here, Hoover, I have cabled London swearing to your full technical qualifications,

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and I am not afraid of your letting me down on that. But these conservative Londoners have stipulated that you should be thirty-five years old. I have wired that I was sorry to have to tell them that you are not quite thirty-three. Don't forget that my reputation depends on your looking thirty-three by the time you get to London!" And Hoover had not yet reached his twenty-third birthday, and looked at least two years younger even than that. He began growing a beard on his way across the continent.

The London firm had stipulated, too, that their new man should be unmarried. Hoover was still that, although he had begun to get impatient about what seemed to him an unnecessary delay in carrying out his decision already made in college. As a matter of fact, there was still no definite engagement between him and the girl of the geology department, but there was an informal understanding that some day there might be a formal one. So Hoover appeared before the head of the great London house—perhaps the greatest mining firm in the world at that time—without en-

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cumbering wife and with the highest of recommendations, but with a singularly youthful appearance for an experienced mining engineer of thirty-five. In fact, the great man after staring hard at his new acquisition burst out with English directness, "How remarkable you Americans are. You have not yet learned to grow old, either individually or as a nation. Now you, for example, do not look a day over twenty-five. How the devil do you do it?"

The days were days of wonder for the home-grown young Quaker engineer. Across America, across the ocean, then the stupendous metropolis of the world and the great business men of the "city," with week-ends under the wing of the big mining financier at beautiful English country houses with people whose names spelled history. And then the P. and O. boat to Marseilles, Naples, Port Said, Aden, and Colombo, and finally to be put ashore in a basket on a rope cable over a very rough sea at Albany in West Australia. There he was consigned, with the dozen other first-class passengers, mining adventurers like himself, to quarantine in a tent hospital on a sand spit out

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in the harbor with the thermometer never registering below three figures, even at night.

And then he came to the Australian mine fields themselves in a desert where the temperature can keep above one hundred degrees day and night for three weeks together. Also there is wind, scorching wind carrying scorching dust. And surface water discoverable only every fifty or sixty miles. Of course one expects a desert to be hot and dry—that's why it is a desert—but the West Australian desert rather overemphasizes the necessities of the case. It is a deadly monotonous country although not wholly bare; there is much low brush just high enough to hide you from others only half a mile away; a place easy to get lost in, and hard to get found in when once lost.

All of this desert was being prospected by thousands of men of a dozen nationalities, all seeking and suffering, for gold. The railroad had got in only as far as Coolgardie, but the prospectors were far beyond the rail head. They carried their water bags with enough in them to keep themselves and their horses alive between water holes. In the real “back blocks”

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they could not carry enough for horses, so they used camels with jangling bells and gaudy trappings of gay greens, orange, scarlet, and vivid blues, making strange contrasts with the blue-gray bush. Along the few main roads moved dusty stages, light, low, almost springless three-seated vehicles, with thin sun-tops overhead and boxes and bags in front, behind and underneath, and all swarmed about by pestilential flies, millions of flies, sprung from nowhere to harass the thirsty, weary travelers.

But only the agents and engineers rode in the stages; it cost too much for the little prospectors, the "dry-washers," who carried their few provisions and scanty outfit in packs on their backs, and tramped the trails, stopping here and there to toss the dry soil into the air and watch for the gold flakes to fall into the pan while the lighter earth blew off in the wind.

In the camp were gathered a motley crew, mostly hard, reckless men, who drank and bet their gold dust away as fast as they found it. But everywhere they were finding gold, and all the time came new reports and rumors of more farther on. The headquarters of Hoov-

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er's employers were in Coolgardie when he arrived, but were soon moved on to Kalgoorlie, following the railroad. The offices were in one of the three or four stone, two-story buildings, which lifted themselves proudly above the ruck of sweltering little toy-like houses of corrugated iron. Forty thousand people were supposed to be living in this "camp" at one time, buying water at two shillings six pence the gallon, which was cheap—they were paying seven shillings in some other camps. At first it was all brought by rail from the coastal plains four hundred miles away, but when the mines began to get down they struck water at a few hundred feet. But it was salt, and expensive condensing plants had to be set up, which kept the price still high. Coolgardie once boasted of having the "biggest condensing plant in the world," with rows on rows of enormous cylindrical corrugated iron tanks lying on their sides, over acres of ground, with all the pumps and boilers and steam pipes to keep these tanks supplied. Water was cheap there, only twelve or fifteen shillings the hundred gallons.

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But out in the prospects and on the trails there was no such aqueous luxury. There was no water for washing and little to drink. And that little was mostly drunk as a terrible black tea, like lye, heated and re-heated, with now a little more water added, now another handful of leaves. I have a well-vouched-for story of an Australian girl who went into this gold-paradise with her husband who was manager, at a large salary, of one of the first mines. She used to take a cupful of water and carefully wash the baby and afterward the little girl, and then herself. After that it was saved for the husband to rinse the worst off when he came home from the mine. But he could have an additional half cup to finish with because he was so dirty. And they tried not to use soap with it so that finally, after letting it settle, it could be added to the horses' drinking water. It was not that the family could not afford to pay for water, but there was simply no water to buy.

Into this cheerful hell came the young Quaker engineer, from the heaven of California and the "city" offices of London where

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sat the big men who were intent on having their share of the big things in West Australia. He was to do his best for his particular big men, but how he was to do it was mostly for him to find out. His firm had already acquired interests in several promising properties. He was to help develop these mines and perhaps to find new ones to be taken on. A junior member of his firm was already on the ground when Hoover arrived, but he remained only a few months. It was a long way to London and Hoover could get few instructions. It was up to him. It was a hard life with many opportunities to go wrong in any of many ways. But he kept his brain clear, his body and soul clean, and just everlastingly worked.

There were all kinds of work to do, and all sorts of new things to learn about mines and mining. The ore occurred in the rock in a manner different from that in any other known gold field, so finding it and getting it out, and then getting the mineral out of the strange new kind of ore, required resourcefulness, "original research," as the scientists say, and constructive

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imagination. And the technical problems of discovering and manipulation once solved, there was still needed organization, system, and administration to make the mine a paying one.

But all these things were exactly the young engineer's specialties. He was from the beginning, as we already know, and conspicuously is today, resourceful, original, capable of prompt decision, an organizer and administrator. Although there were many trained engineers in West Australia, there was no one to equal him in these specialties of his. And very soon his firm's mines, which had so far had little benefit of executive ability coupled with technical knowledge and originality, began to pay and their stocks went up on the London market—which was the criterion of success in the eyes of the men in the “city.” About the stock ratings Hoover knew little and perhaps cared less. He did care, however, about making good mines out of bad ones. And that was exactly what he was doing.

And very soon he did the other successful thing that the big men in London hoped for and that he kept always working for. He un-

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covered the big new mine. He had turned up several promising leads but their development proved disappointing. But the "Sons of Gwalia" realized his hopes from the beginning. It was out from Kalgoorlie four or five days hard riding, near a smaller camp called Leonora. He went out and took personal charge of the opening up and equipping of the whole mine and plant, living in a little "tin" house and gathering about him a staff of the best of the firm's assistants collected from all over the Colony. It was hot, although the climbing mercury usually stopped at about one hundred degrees. But that only further inflamed the enthusiasm of the group. They had the real thing, and they had a real leader—a very boyish looking boy of scant twenty-five. They forgot to watch the thermometer. They were more interested in water and transportation and labor and all the other things that are as necessary to a good mine as the gold in the ore-veins.

Occasionally, however, they had some relaxation. For one thing, they thought sometimes about food. One of the men had his wife

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with him, and she imported chickens and later even ducks which never, however, set web-foot in water. And they had a garden because they decided they were so in need of green vegetables. They turned a little priceless water from the condenser into the garden; but not enough for the vegetables and too much for the accountant's books. After estimating that the one undersized cabbage they raised cost them £65 worth of water, he discouraged further gardening.

They had also a pet emu. So did the wife of the manager of another mine near-by. They used to arrange to have the emus meet occasionally and there was always a glorious fight. Once when they had got the lady's emu over for a visit, one of the Australian boys thought it would look amusing in trousers. So he took off his overalls and after immense exertion got them on the legs of the creature, with the straps securely fastened over its neck and back. But the great bird became so enraged that the men could not safely get near enough to it to get off its clothing, and even its mistress feared ever to approach it again. There was also a

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pet goat named Sydney that ate several boxes of matches and had to have its internal fires extinguished by the only available liquid, which was the tinned butter that had yielded to the one hundred and ten degrees. Sydney lived through the experience but had always after that a delicate interior and was petted more than ever in consequence. And there was a tennis court occasionally wetted down with the beer that always went stale while they were saving it for state occasions. It was all a happy, glorious time—because they had discovered and were making one of the great mines of West Australia.

Hoover was now twenty-four, and a man of large reputation in mining circles in Australia and London, with a salary to correspond. He had spent about twenty-four months in West Australia, although they ran over all of one and parts of two other years, so that he is generally credited with having remained there three years. And he could have gone on among the Australian mines for as many years as he liked, for the big men in London now fully realized that they had in this young American

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engineer the unusual man, and that his only limit in Australia would be the limit of the possible. But the new opportunity and the new experience were calling.

Just about this time a young Chinaman of royal family in Peking had made a successful *coup d'état* and had formed a cabinet for the first time in the history of China, and this cabinet decided, naturally also for the first time in the history of China, to effect a coördinated control of all the mines of the Empire. There was, therefore, established a Department of Mines, with a wily old Chinaman, named Chang Yen Mow, at its head. He understood that Chinamen knew little about mining, and hence decided to find a foreigner to help him manage the mines of the Empire. He also thought that a foreigner, thus attached as an official to his department, could be of particular help to him in dealing with other foreigners inclined to exploit Chinese mines more for their own benefit than China's. This official was to be in a position much like that of an under-secretary in a cabinet department, and was to be given the title, in the Chinese equiva-

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lent, of “Director-General of Mines.” He was to have a salary appropriate to such a large title. With all this decided, it only remained to find the proper foreigner, who should be a man who knew much about mines and was honest. There was, as we know, just such a man in Western Australia.

## CHAPTER V

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WHEN Chang Yen Mow, the new head of the new Department of Mines of the new Chinese Government, began to look about for the foreigner who should know much about mines and be honest, and who would therefore be a fit man to occupy the new post of Director-General of Mines, he bethought himself of an English group of mining men with whom he had once had some business relations. The principal expert advisor of this group had been the man who was now the head of the great London mining firm for which Herbert Hoover was working, and working very successfully, in West Australia. Chang applied to this group for a recommendation of a suitable man for him. And this group in turn applied to the head of Hoover's firm. Or, perhaps, Chang applied directly to the great Lon-

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don mining man. The exact procedure, which is not very important, anyway, by which the head of Hoover's firm came to have the opportunity of making the recommendation, is a little obscure today. The important points in the whole matter, however, which are not at all uncertain, are that he did have it, and that he recommended Herbert Hoover, and that Chang Yen Mow, acting on the recommendation, offered the place, through him, to the youthful Quaker engineer, and, finally, that the competent and confident boy of twenty-four, always ready for the newer, bigger thing, promptly accepted it.

In two weeks after the cable offer and answer, a feverish fortnight devoted to a rapid clearing up of things in Australia, Hoover was on his way to London, to report personally to his employers about their own affairs as well as to get some information about the new undertaking. He wanted to find out before he got to China, if he could, something of what would be expected of a Director-General of Mines of the Chinese Empire. Perhaps he had in mind the possible necessity of "getting up"

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a little special knowledge about Chinese mines and mining ways before he tackled his new job, just as he had got up enough physiology in thirty-six hours to help get him into Stanford University, and enough typewriting in a week-end to fit him for entrance into Louis Janin's office in San Francisco.

However, after two weeks in the metropolis, eight or nine days on the Atlantic, two or three in New York, and five on the transcontinental trains, he found himself again in California and ready to make from there his second start to the far-away lands from which his loudest calls seemed to come—ready, that is, except for one thing. He was now, let us remember, at this beginning of the year 1899, not yet twenty-five years old, not that by half a year, indeed, and a half year could mean, as we have already seen, a great deal in his life. And he was a boy-man with a record already behind him of achievement and a position already in his hands of much responsibility and large salary. So he declared that the time had now come for the carrying out of the decision he had made in his college days of four years before. It was the

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little matter, you will promptly guess, and guess correctly, of marrying the girl of the geology department. He arrived in San Francisco the first of February, 1899. He spent the next few days in Monterey, "the old Pacific capital" of Stevenson's charming sketch, but of chief interest to Hoover as the place where Lou Henry—that was her name—lived. And here they were married at noon of Friday, February 10. At two o'clock they left for San Francisco, and at noon the next day sailed for the empire of China.

Into the sleepy, half Mexican, historic town on the curving sands of the shores of the blue Bay of Monterey this swift, breathlessly swift, boy engineer had come from distant Australia, by way of Marseilles and London, had clutched up the beautiful daughter of the respected town banker, and was now carrying her off to distant China, where she was to live in all the state becoming the wife of the Director-General of Mines of the Celestial Empire. It was a bit too much for the old Pacific capital, which did not know—for it was not told—that the sudden appearance of the meteor bridegroom

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had been preceded by many astronomical warnings in the way of electric messages that came to the prospective bride from Australia and London and New York. Anyway, it wasn't quite fair to the town, which tries to maintain old Mexican traditions, that go back to Spain, of a full assortment of festivities incident to any proper marrying. But Monterey has long been reconciled to this missed opportunity, and now reveals a just pride as the home town of the woman who has played such an active rôle in the career of her distinguished husband.

The hurrying couple, at least, had time for breath-taking—and honeymoon—when once on board ship. For it is a month's voyaging from San Francisco to China—or, at least, was then. They had for seat-mates at table Frederick Palmer, the war correspondent, and wife, which was the beginning of a friendship that still endures. And there were for other interesting companions a secretary of our legation at Pekin and his wife, and a missionary pair who may or may not have survived the Boxer massacres.

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The work in China was at first rather simple. Mines, of course, there were and had been for uncounted centuries. But what was needed by the new Department was some sort of survey of the mineral resources and mining possibilities of the Empire, and a tentative framing of a code of mining laws, so that the new development of the mines of the country which Chang hoped to initiate could be carried on to best advantage, and in such a way that private enterprise could participate in it. For centuries the mines had been Crown property and the ruler had simply let them out directly, or through the viceroys, for either a stipulated annual rental or for as much "squeeze" as could be wrung from the lessees in any of several various ways. And there had to be some rental or "squeeze" for each of the many officials that could get within arm's length of the mining business. The tenure of the use of the mines by the lessees was usually simply the period of the continued satisfaction of the lessor.

All this had not made for any extensive new opening up of the country's mineral resources, or for the scientific development of the mines

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already long known. One could not afford to put much capital into prospecting or into modernizing the mining methods when each improvement simply meant either more rent or "squeeze," or the giving up of the mine. So the ores were mined and the metals extracted from them by the miners according to the methods of their ancestors as far back as history or tradition went, and it was all done under a set of mining laws as primitive as the mining methods themselves. There were enormous possibilities of improvement. It would have been hard for any mining engineer to do anything at all to the situation without improving it. For Hoover, with his technical education in metallurgical processes, his experience in handling various and difficult mining situations, and his genius for organizing and systematizing, the opportunity was simply unique. He plunged into the work of examining and planning and codifying with the zest of a naturalist in an unexplored jungle. In the day time he made his examination; at nights he studied the mining laws of all time and all the world.

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He built up a staff as rapidly as it could be put together and correlated with the tasks before it. He had sent in advance for two or three men he had worked with in America and for some of his most able and dependable associates in West Australia, including Agnew, a mill expert, and Newbery, a metallurgist, son of a famous geologist, both of them devoted to "the Chief." That was Hoover's *sobriquet* among his early mining associates; just as it was later among the members of his successive great war-time organizations. He has just naturally—not artificially—always been "the Chief" among his co-workers and associates.

His Caucasian staff of perhaps a dozen was greatly overshadowed in number by his Chinese staff, composed chiefly of semitechnical assistants, draftsmen, surveyors' assistants, interpreters, etc. A few of the Chinese helpers had had foreign training; there was one from Yale, for example, and another from Rose Polytechnic; the latter so devoted to American baseball that he was greatly disappointed in the new Director of Mines when he found he was

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not a baseball player. But he thought better of him when he learned that he had at least managed his college team. The staff had its headquarters in Tientsin, where were also the principal laboratories for the mineralogists, assayers, and chemists. Some of the men gave their time to the technical work, and others were engaged in collecting and correlating everything that had been published in the foreign languages about the geology and mines of China, while Chinese scholars hunted down and translated into English all that had been printed in Chinese literature. But the Director and most of his immediate experienced assistants were chiefly occupied with the exploring expeditions into the interior and the examination of the old mines and new prospects. Especially did some immediate attention have to be given to the mines already being actually worked, for the Minister let it be known that he expected the new Director to pay the way of the Department as soon as possible from the increased proceeds of the mines which were to arise from the magic touch of the foreign experts.

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These expeditions were elaborate affairs, contrasting strangely with Hoover's earlier experiences in America and Australia. The Chinese major-domo in charge insisted that the make-up and appearance of the outfit should reflect the high estate of the Director of Mines, so that every movement involved the organization of a veritable caravan of ponies, mules, carts, men on foot, and sedan chairs carried by coolies. These chairs were for the Director and his wife, who, however, would not use them, preferring saddle horses. But the proud manager of the expedition insisted that they be carried along, empty, to show the admiring populace that even if the strange foreign potentates amazingly preferred to ride in a rather common way on horseback they could at least afford to have sedan chairs. Imagine a prospecting outfit in the California Sierra or the West Australian bush with sedan chairs! And there were cooks and valets and cot beds and folding chairs and mosquito bed curtains and charcoal stoves and an array of pans and pots like Oscar's in the Waldorf kitchens, and often a cavalry guard of twenty-

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five or fifty men, superfluous but insistent and always hungry. Whether the expedition found any mines or not it was at least an impressive object lesson to the Celestial myriads that the new Imperial Department of Mines knew how to hunt for them in proper style. When Mrs. Hoover once remonstrated with one of the interpreters of the cavalcade about such an unnecessary outfit, the answer was: "Mr. Hoover is such expensive man to my country we cannot afford to let him die for want of small things."

A similar state had to be lived up to in the Director's home in Tientsin. The house was a large, four-square, wide-verandahed affair, in which a dozen to fifteen servants, carefully distinguished as "No. 1 Boy," "No. 2 Boy" and so on down the line, waited, according to their own immemorial traditions, on the Director and his wife. These servants had curious ways, and a curious language in the odd pidgin English that enabled the door boy to announce that "the number one topside foreign devil joss man have makee come," when the English Bishop called, and the table boy

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to announce a dish of duckling as "one piecee duck pups," or of chicken as "one piecee looster." The social scale among the few foreign residents was very precisely defined, and the social life of the foreign colony highly conventionalized, so that the unassuming, practical-minded young engineer of the high title and social position who was terribly bored—as he is today—by social rigmarole, and who was thought rather queer by the conventional-minded small diplomats and miscellaneous foreign residents because, as one of them put it, "he always seems to be *thinking*," was glad to be out of all this as much as possible and on the road, even if it had to be with the ludicrous caravan of state. Sometimes even all the attempted comfort and superfluous luxury of the caravan did not prevent the expedition from having serious hardships and running into real danger. An expedition across the great Gobi desert that lasted for thirty-nine days was successfully accomplished only after hard battling with heat, hunger and thirst, and even with hostile natives.

Some of the results expected from this im-

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ported miner were rather startling. For instance, age-long rumor had it that the Emperor's hunting park at Jehol overlay immensely valuable gold deposits. The Minister intimated to the Director that he would like to know the real facts about this as soon as possible. As the park lay in a little-explored region of southern Manchuria and was a place of much historical as well as geological interest, the Director decided to make a personal examination of it. After the expedition had been out several days, he was told that on the next they would come in sight of the Great Royal Park. Accordingly on the next day the guide of the caravan took him, with one or two of the Caucasian members of his staff and an interpreter, off from the road the grand retinue was following, and by winding paths up to a hill top which commanded a superb prospect.

"There," said the interpreter, with a wave of his hand toward the stretching prospect of beautiful valleys, low broad hills and mountain side, "there is the Hunting Park of Jehol." Then, turning complacently to the Director of Mines, he asked, simply: "Is there gold be-

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neath it?" And interpreter and guide, and later, even more important officials, were stupefied to learn that the wonderful imported man who knew all about gold could not say offhand, from his vantage point, miles away, whether there was gold under the Park or not. And, more disturbing still, that he probably could not say anything about it at all without actually tramping over the sacred soil and perhaps sacrilegiously digging into it.

Such occasionally necessary confessions of incompetence made a little trouble, but only a little. However much the under men lacked knowledge about minerals and mines and how to find out about them, the head of the Department, Chang, knew enough to know that if his young Director confessed inability to meet certain demands it was because there was more wrong with the demands than with the engineer. But the real fly in the ointment soon began to make itself visible. It was not a disillusionment on the part of the Chinese officials in connection with their foreign expert, but a disillusionment on his part in regard to his real position and opportunities for accomplishing

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something for China. He began more and more clearly to realize that he could investigate and advise as much as he liked but that he could really do, in his understanding of doing, comparatively little. The modern West cannot make over the immemorial East in a day or even a year.

Gradually the young engineer came to realize that while his examinations and reports were all very welcome, and whatever he could suggest for improvement in technical detail, resulting in immediate greater output of the mines already working, was gladly accepted, there was no willingness to accept advice leading to changes in administrative and general organization matters. And to the modern engineer efficiency in these matters is as much a part of successful mining as skilled digging and good metallurgy. Suggestions looking toward getting more work out of the men, or cutting down the payrolls by removing the thirty per cent of the names on them that seemed to have no bodily attachments, were frowned on. These things interfered with "squeeze," and "squeeze" was a traditional part of Chinese

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mining. Foreign advisors and helpers were all very well when they found gold, but not so well when they found graft. A crisis was visible in the offing. But this particular crisis did not arrive, for another larger and more serious one came more swiftly on and arrived almost unheralded. It was the Boxer Uprising.

The outbreak found Hoover at Tientsin having but recently returned from Pekin with Mrs. Hoover, and both just recovering from severe attacks of influenza. If opportunity for thorough organizing of the mines of China had failed him he now had full scope for organizing a military defense of his home and wife and his many employees, foreign and native, for Tientsin, for a month, was the scene of hot fighting. It was a besieged household in a beleaguered city. Hoover could have gotten out with his wife and few Caucasian assistants at the beginning of the trouble, but he would not desert his few hundred Chinese helpers and their families—and his wife would not desert him. So they staid on together through all the rifle and shell fire and conflagrations

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of the Tientsin siege, building and defending barricades of rice and sugar sacks, organizing food and water supplies, and cheerfully “carrying on” in the face of certain death, and worse, if the outnumbering fanatic Boxers happened to win.

But there were occasional lighter incidents amid the many grave ones of the fighting weeks. Mrs. Hoover tells one, her favorite story of those days, in something like the following words. “We had a cow, famous and influential in the community, which cow was the mother of a promising calf. One day the cow was stolen and Mr. Hoover set out to find her. With three or four friends and half a dozen attendant Chinese boys he took out the tiny calf one night and by the light of a lantern led the little orphan, bleating for its mother, about the streets of the town. Finally, as they passed in front of the barracks of the German contingent of the international defending army, there came, from within, an answering moo, and Mr. Hoover, addressing the sentry, demanded his cow. The sentry made no move to comply, but, summoning all his *Wörterbuch*

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English, countered with the inquiry: 'Is that the calf of the cow inside?' Upon receiving an affirmative reply to his Ollendorff question, he calmly declared, 'Also, then, calf outside must join itself to cow inside.' And thereupon by aid of a suggestive manipulation of his bayonet, he confiscated the calf, and sent **Mr. Hoover** home empty-handed."

As one of the precursors of the Boxer affair Chang Yen Mow got into the bad graces of the government, gave up his position and was forced to flee from Pekin and take refuge in Tientsin. Even here he was dragged out of his palace and stood up before a firing squad, and escaped with his life only through vigorous interference by his Director of Mines. Because he thought that he might save from probable confiscation a valuable coal mining property at Tongshan about eighty miles from Tientsin, he desired to transfer this property outright to Hoover's name for the protection of the foreign title. Hoover refused this, but did undertake to go to Europe on a contract with Chang to enlist the aid of the Belgian and British bondholders of the Company to pro-

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tect the property. These men rescued and re-organized the Company, dispatched their own financial agents to China, and appointed Hoover chief engineer to superintend the real development of the great property.

The wily old Celestial finding, after all, that China was not to be partitioned by the powers that had defended it against the Boxers, and that private property was not to be confiscated, now proposed to break his contract so eagerly made. And there seemed to be no hope that the curious course of Chinese law would ever compel him to recognize his previous agreements. But there was something in the persistent, indomitable pressure of the quiet but firm young Belgian agent, named de Wouters, who had come back with Hoover, and of the young American, which did finally compel the old Chinaman, after much trouble and delay, to live up to his contract.

Years later the situation, with kaleidoscopic picturesqueness, took on another hue, and Hoover found himself defending Chang's interests from the overzealous attempts of some of the foreign owners to get more out of the

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mines than was their fair share. In making the original contracts it had been agreed to have a Chinese board with a Chinese chairman, as well as a foreign board. This led to much difficulty and some of the Europeans declared that the young American had been much at fault in consenting to an arrangement which left so much share in the control to the Chinese, and they repudiated this arrangement. Hoover and de Wouters had a long hard struggle in getting justice for old Chang, but just as their persistence had earlier held Chang up to his agreements for the sake of the European owners of the undertaking, so now, directed in the opposite direction, it succeeded in getting justice for Chang and his Chinese group.

The affair brought him into business relations with another Belgian named Emile Francqui, of keen mind and great personal force, who, with de Wouters, were, strangely enough, later to be chief and first assistant executives, respectively, of the Great Belgian Comité National during the long hard days of the German Occupation. It was with these men among all the Belgians that Hoover was

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to have most to do in connection with his work as initiator and director of the Commission for Relief in Belgium.

But we are now, in the story of Herbert Hoover, only in the year 1900, and the Belgian Relief did not begin until 1914. And Hoover was still to have many experiences as engineer and man of affairs, before he was to meet his Belgian acquaintances again under the dramatic conditions produced by the World War.

He had now his opportunity really to do something in China in line with his own ideas of doing things in connection with mines, and not with those of Chinese mining tradition. As consulting engineer, and later general manager of the "Chinese Engineering and Mining Company" he attacked the job of making Chang's great Tongshan coal properties a going concern. This job involved building railways, handling a fleet of ocean-going steamers, developing large cement works, and superintending altogether the work of about 20,000 employees. A special one among the undertakings of the twelve months or more given to this

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enterprise was the building of Ching Wang Tow harbor to give his coal a proper sea outlet. Altogether it was a "mining" job of all the variety and hugeness of extent that the twenty-seven-year-old miner and organizer found most to his liking. And despite obstacles and complications due both to his Chinese and Caucasian company associates he did it successfully, enjoyed it immensely, and got from it much education and experience. But he was ready after about a year of it to turn his attention to the rest of the world.

## CHAPTER VI

### LONDON AND THE REST OF THE WORLD

IN 1902, now twenty-eight years old, Herbert Hoover returned to London as a junior partner in the great English firm with which he had been earlier associated as its star field man in West Australia. But, though with an actual headquarters office in London, he was mostly anywhere else in the world but there. He was still the firm's chief engineer and principal field expert and upon him fell much of the responsibility of the firm's actual mining operations in the field as distinguished from its financial operations in the "city." He probably spent little more than a tenth of his time in London, and this was also true in his later career when he had given up his connection with the firm and was wholly "on his own" as independent consulting engineer and mine-organizer. And this explains what has often puzzled many of the people who came to know him and his household in London. He and

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it were so little "English." His home in London seemed always to be a bit of transplanted America, and, in particular, a bit of transplanted California. As a matter of fact, in all his years of London connections there was hardly one that did not see him and his family in America including an inevitable stay in California. He maintained offices in New York and San Francisco and had no slightest temptation, much less desire, ever to become an expatriate.

But this is getting ahead of the story. There is one outstanding happening in his London experience that insistently demands telling. It is the happening that meant for him the greatest setback in his otherwise almost monotonously successful career. And yet, although this happening meant temporary financial ruin for him, it was, in its way, only another success, a success of revealing significance to those who would like to know the real man that Herbert Hoover is.

After one of his returns to London, and in the absence of the head of the firm in China, he discovered a defalcation of staggering pro-

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portions. A man connected with the firm had lost in speculation over a million dollars obtained from friends and clients of the firm, by the issuance and sale of false stock. Technically the operations of the defaulter were of such a character that the firm could not be held legally liable. But the junior partner swept the technicalities aside with a single gesture. He announced that they would make good all of the obligations incurred by the defaulter. This meant the immediate loss of his own personal fortune, and it meant a serious difference of opinion with the absent head of the firm, whose frantic cables came, however, too late to overrule the decision of the junior partner.

There ensued a long bitter struggle, most of it falling on the junior partner with the Quaker conscience, to make good the losses without actually putting the firm out of business. For going on with the business was essential to the making good. It was a gruelling four years' struggle, but with success at the end of it. And then the American engineer, now grown forever out of youth to the man who had

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experienced the down as well as the up in life, gave up his connection with the firm and launched on that career of independent and self-responsible activity which has been his ever since. This was in 1908. Hoover was now thirty-four years old and probably the leading consulting mining engineer in the world.

His work soon took him back to Australia, the land of his first notable success, but this time into South Australia instead of West Australia. Here he took personal charge of a large constructive undertaking in connection with the rehabilitation of the famous Broken Hill Mines. These mines were in the inhospitable wastes of the Great Stony Desert, four or five hundred miles north of Adelaide, the port city. The living and working conditions in the desert were a little worse than awful, but by his technical and organizing ability he brought to life the two or three abandoned mines which constituted the Broken Hills properties, and, adding to them some adjoining lower grade mines, converted the whole group from a state of great but un-

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realized possibilities into one of highly profitable actualities. An important factor in this achievement was his origination and successful development of a process for extracting the zinc from ores that had already been treated for the other metals and then cast aside as worthless residues. There were fourteen million tons of these residues on the Broken Hills dumps and from them he derived large returns for the company that he had organized to purchase the property.

He also introduced new metallurgical processes for the profitable handling of the low-grade sulphide ores that constituted most of the mineral body of the mines. Indeed, this work in South Australia did much to help prove to him what has long been one of his cardinal beliefs, namely, that the safe backbone of mining lies in the handling of large bodies of low-grade ores. When such great ore-bodies are given the benefit of proper metallurgical processes and large organizing and intelligent building up of exterior plants, mining leaves the realms of speculation and becomes a certain and stable business operation.

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All this successful work in South Australia occupied but seven months. Back in London again he gathered about him a remarkable staff of skilled young mining engineers, mostly Americans. There were thirty-five or forty of them, indeed, not on salary or fixed appointment, but men eager to attach themselves to him for the sake of working with him or for him in connection with the ever-increasing number of his large enterprises in the way of reorganization and rehabilitation of mines scattered all over the world. He became the managing director or chief consulting engineer of a score of mining companies, and the simple association of his name with a mining enterprise gave investors and other engineers a perfect confidence in its success and its honest handling.

Two of his largest undertakings were in Russia, one at Kyshtim, in the Urals, the other at Irtish on the Siberian plains near Manchuria. The Kyshtim property was a great but run-down historic establishment, on an estate of an area almost equal to that of all Belgium. One hundred and seventy thousand

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people lived on the estate, all dependent on the mining establishment for their support. The ores were of iron and copper, but the mines were so far from anywhere that not only did these ores have to be smelted at the mine mouths, but factories had to be erected to manufacture the metal into products capable of compact transportation. When Hoover took over the bankrupt properties he found himself not only with mining and manufacturing problems to solve, but with what was practically a relief problem to face. For the under-paid workmen and their unfortunate families were in a state of great misery. He succeeded not only in modernizing and rehabilitating the material part of the great establishment, but at the same time in rescuing and revivifying a suffering laboring population of helpless Russians.

The Irtish properties were near the Manchurian border, a thousand miles up the Irtish River from Omsk, a mere remote bleak spot on the wild, bare Siberian steppes. But at this spot lay extensive deposits of zinc, iron, lead, copper and coal, all together. He had first of

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all to build 350 miles of railroad to make the spot at all accessible. And the actual “mining” operations included everything from digging out and smelting the ores to manufacturing all sorts of things from metal door-knobs to steel rails and even steamboats to ply on the Irtish River. He put a large sum of English, Canadian and American money—including much of his own—into the work of building up a great establishment which was just on a paying basis when the war broke out. It is all now in the hands of the Bolsheviks, with a most dubious outlook for the recovery of any of the money put into it.

Other large operations under his direction were in Colorado, Mexico, Korea, the Malay Straits Settlement, South Africa, and India (Burma). The Burma undertaking has been, in its outcome at least, and, indeed, in many other respects, Hoover’s greatest victory in mining engineering and organization. It is today the greatest silver-lead mine in the world, although it started from as near to nothing as a mine could be and yet be called a mine. It took him and his associates five years

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to transform some deserted works in the heart of a jungle into the foremost producer of its kind in all the world. This mine is far away in the north of Burma, almost on the Chinese border. They had first to build eighty miles of railroad through the jungle and over two ranges of mountains, a sufficient feat of engineering in itself, and then to create and organize at the end of this line everything pertaining to a great mining plant. Thirty thousand men were employed in establishing the mine.

Altogether Hoover and his associates had in their employment, in the various mining undertakings under way in 1914, about 175,000 men, and the annual mineral output of the mines being handled by them was worth as much as the total annual output of all the mines in California. And practically all of these successful mines had been made out of unsuccessful ones. For Hoover really developed a new profession in connection with mining; a profession of making good mines out of bad ones, of making bankrupt mining concerns solvent, not by manipulation on the stock exchange but

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by work in the earth, in the mills, in the mine offices. He works with materials, not pieces of paper. It takes him from three to five years to bring a dead mine to life; the mine must have mineral in it, to be sure, to start with, but he does all the rest. That little matter of having mineral in it is the whole thing, you may think. But if you do, you must think again. The history of mining is more a history of how mines with mineral in them have not succeeded in becoming mines where the mineral could be profitably got out of them, than of how such mines have succeeded. A successful mine is infinitely more than a hole in the ground with mineral at its bottom. It is railroads and steamers, mills, housing for men, men themselves, organization, system, skill, brains, all-around human capacity. Herbert Hoover is a great miner because he is—I say it bluntly and not from any blind hero-worship—a great man.

If he is, he can do more than mine greatly; he can do other things greatly. Well, he can, and he has done them. We come to that part of his story now, the part that begins when

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the World War began, when the world saw with amazement that grew into ever greater amazement an unknown miner, that is, unknown except to other miners, calmly do things that only great men can do. But we who know now the story of the boy and the man of the years before the war are not so much amazed. We know that he is the kind of man, who had had the kind of experience, the kind of world education, who with opportunity can do things the world calls great and be the great man. But just for a few minutes before we begin with August, 1914, the time when Herbert Hoover began a new chapter in his work because the world had begun a new epoch in its history, let us have a glimpse of this man outside of his mines and his offices. Let us see him in his home, with his family, with his books if he has any, and with his friends of whom he has many.

His two children, Herbert and Allan, were born in 1903 and 1907 respectively. Living first in apartments, the Hoovers felt that they and the boys and the dog Rags needed more room, or perhaps, better, different kind of

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room, room for an energetic family of Americans to grow up in Western American fashion, as far as this could be compassed in London. And so they found, farther west, in a short street just off Kensington High Street and close to Kensington Gardens, a roomy old house with a garden with real trees in it and some grass and flower-beds. It had been built long before by somebody who liked room, and then rebuilt, or at least made over and added to, by Montin Conway, the Alpinist and author. For generations it had been called "The Red House," a name that became in the succeeding years more and more widely known to Americans living in, coming to, or passing through London, for it became a well-known house of American foregathering.

I knew it first in 1912 when I was doing some work in the British Museum Library. The bedroom to which my wife and I were shown was inhabited already by a happy and very vocal family of little Javanese seed birds and green parakeets, a part of the boys' menagerie which had to find refuge from the other animals already housed in their adjoining

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rooms. Out in the garden there were pigeons fluttering in and out of a cote, and hens solemnly inspecting the newly-seeded flower-beds. A big silver Persian cat, and a smaller yellow Siamese one regularly attended breakfasts, and Rags irregularly attended everything. The cats were Mr. Hoover's favorites. He liked to have one on his lap as he talked.

There were bookshelves in all of the rooms, and I noted that the owner, however many the guests had been, or long the evening, never went up to bed without a book in his hand. I came later to know how fixed this night-reading habit had become, for in the Belgian relief years when we had frequently to cross the perilous North Sea together on our way from Thames-mouth to Holland or back in one of the little Dutch boats which used to run across twice a week until most of the boats had been blown up by floating mines, Hoover used always to fix an electric pocket lamp or a stub of a candle to the edge of his bunk and read for a while after turning in. He has had little time for reading in daytime, but yet he has read enorm-

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ously. It is this night-reading that explains it.

The shelves in "The Red House" contained many books about geology and mining and metallurgy. But they contained many others as well. Especially were they burdened with books on economics and political science. And they bore lighter loads of stories. Sherlock Holmes was there *in extenso*. The books on civics and economics and theories of finance were well thumbed and some of them margined with roughly penciled notes. I should say they had been studied. A frequent evening visitor, who came by preference when there had been no guests at dinner, was a well-known brilliant student of finance and economics, formerly editor of the best-known English financial weekly and now editor of a very liberal, not to say radical, weekly of his own. He and Hoover held long disquisition together, each having clear-cut ideas of his own and glad to try them out on the keen intelligence of the other. As a mere biologist, whose little knowledge was more of the domestic economy of the four and six-footed inhabitants of earth than of the so-

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cial science and politics of the bipedal lords of creation, my rôle was chiefly that of fascinated listener.

Although he likes books and even likes writing, Hoover makes no claims to authorship himself. Nevertheless he has found time to put something of his knowledge, based on first-hand experience of the fundamentals and details of mining geology, and mining methods and organization, into a book which, under the title of *Principles of Mining*, has been a well-known text for students of mining engineering since its appearance in 1909. The book is a condensation of a course of lectures given by the author partly in Stanford and partly in Columbia University. Although it contains an unusual amount of original matter and old knowledge originally treated for the kind of book it professes to be, namely a compact manual of approved mining practice, the author's preface is a model of modest appraisement of his work. One of its paragraphs simply demands quotation:

“The bulk of the material presented [in this

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book] is the common heritage of the profession, and if any may think there is insufficient reference to previous writers, let him endeavor to find to whom the origin of our methods should be credited. The science has grown by small contributions of experience since, or before, those unnamed Egyptian engineers, whose works prove their knowledge of many fundamentals of mine engineering six thousand eight hundred years ago. If I have contributed one sentence to the accumulated knowledge of a thousand generations of engineers or have thrown one new ray of light on the work, I shall have done my share."

In the latter chapters of the book **Hoover**, having devoted the earlier chapters to technical methods, treats of the administrative and financial phases of mining. The last chapter is devoted to the "character, training, and obligations of the mining engineering profession" in which he sets up a standard of professional ethics for the engineer of the very highest degree and reveals clearly his own genuinely philanthropic attitude toward his fellow men. In the discussion of mining administration there

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is a concise but illuminating treatment of the subject of labor unions. After discussing contract work and bonus systems he says:

“There is another phase of the labor question which must be considered, and that is the general relations of employer and employed. As corporations have grown, so likewise have the labor unions. In general, they are normal and proper antidotes for unlimited capitalistic organization.

“Labor unions usually pass through two phases. First, the inertia of the unorganized labor is too often stirred only by demagogic means. After organization through these and other agencies, the lack of balance in the leaders often makes for injustice in demands, and for violence to obtain them and disregard of agreements entered upon. As time goes on, men become educated in regard to the rights of their employers and to the reflection of these rights in ultimate benefit to labor itself. Then the men, as well as the intelligent employer, endeavor to safeguard both interests. When this stage arrives, violence disappears in favor of negotiation on economic principles, and the unions achieve their greatest real gains. Given a union with leaders who can control the members, and who are disposed to approach differ-

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ences in a business spirit, there are few sounder positions for the employer, for agreements honorably carried out dismiss the constant harassments of possible strikes. Such unions exist in dozens of trades in this country, and they are entitled to greater recognition. The time when the employer could ride roughshod over his labor is disappearing with the doctrine of *laissez faire* on which it was founded. The sooner the fact is recognized, the better for the employer. The sooner some miners' unions develop from the first into the second stage, the more speedily will their organizations secure general respect and influence.

"The crying need of labor unions, and of some employers as well, is education on a fundamental of economics too long disregarded by all classes and especially by the academic economist. When the latter abandon the theory that wages are the result of supply and demand, and recognize that in these days of international flow of labor, commodities and capital, the real controlling factor in wages is efficiency, then such an educational campaign may become possible. Then will the employer and employee find a common ground on which each can benefit. There lives no engineer who has not seen insensate dispute as to wages where the real difficulty was inefficiency. No

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administrator begrudges a division with his men of the increased profit arising from increased efficiency. But every administrator begrudges the wage level demanded by labor unions whose policy is decreased efficiency in the false belief that they are providing for more labor."

Three years before publishing the *Principles of Mining* Hoover had collaborated with a group of authors in the production of a book called *Economics of Mining*. And three years later, that is in 1912, he privately published, in sumptuous form, with scrupulously exact reproduction of all of its many curious old wood-cuts, an English translation of Agricola's "De Re Metallica," the first great treatise on mining and metallurgy, originally published in Latin in 1556, only one hundred years after Gutenberg had printed his first book. "De Re Metallica" was the standard manual of mining and metallurgy for 180 years. Georgius Agricola, the author, was really one Georg Bauer, a German of Saxony, who, following the custom of his time used for pen-name the literal Latin equivalents of the words of his German name.

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This translation, with its copious added notes of editorial commentary, was the joint work of Hoover and his wife—it was Mrs. Hoover, indeed, who began it—and occupied most of their spare time, especially their evenings—and sometimes nights!—and Sundays, through nearly five years. They had been for some time collecting and delving in old books on China and the Far East and ancient treatises on early mining and metallurgical processes, and had accumulated an unusual collection of such books, ransacking the old bookshops of the world in their quest. In 1902, Mrs. Hoover while looking up some geology in the British Museum Library, stumbled again on Agricola, which she had forgotten since the days she was in Dr. Branner's laboratory. By invoking the services of one of their friends among the old book dealers the Hoovers soon owned a copy. Caught especially by the many curious and only half understandable pictures in it they began to translate bits from it here and there, especially the explanations of the pictures, and in a little while they were lost. Nothing would

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satisfy them short of making a complete translation. It became an obsession; it was at first their recreation; then because it went very slowly it seemed likely to become their life avocation.

They found an early German translation, which, however, helped them little. The translator had apparently known little of mining and not too much of Latin. They went to Saxony, to the home of Agricola, hoping to get clues to the difficult things in the book by seeing the region and mines which had been under his eyes while writing it, and finding traditions of the mining methods of his time. But it was as if a sponge had been passed over Agricola and his days. Fire had swept over the towns he had known and all the ancient records were gone. The towns, rebuilt, and the mines of which he had written were there, but of him and of the ancient methods he wrote about there was hardly record or even tradition. They went to Freiberg, where has long existed the greatest German school of mines, the greatest mining school in the world, indeed, until the American schools were developed—prob-

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ably the Germans would not admit even this qualification—and there they found no more to help them than in Agricola's own towns. In fact, the Freiberg professors seemed rather irritated by the advent of these searchers for ancient mining history, for, as the savants explained, the Freiberg methods and machines were all the most modern in the world; there were "no left-overs, no worn-out rubbish of those inefficient ages" around Germany's great school of mines.

So the Hoovers were little rewarded by their pilgrimage to Germany for help in their attempt to resuscitate the Saxon Agricola. But they kept on mining in the big tome and finally, in the fifth year of their devoted spare-time labors they had before them a completed translation.

## CHAPTER VII

### THE WAR: THE MAN AND HIS FIRST SERVICE

FROM the first day of the World War Herbert Hoover has been a world figure. But much of what he has done and how he has done it is still only hazily known, for all the general public familiarity with his name as head of the Belgian relief work, American food administrator, and, finally, director-general of the American and Allied relief work in Europe after the armistice. The public knows of him as the initiator and head of great organizations with heart in them, which were successfully managed on sound business principles. But it does not yet know the special character of Hoover's own personal participation in them, his original and resourceful contributions to their success, and the formidable obstacles which he had constantly to overcome in making this success possible. There was little that

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“just happened” which contributed to this success; that which did just happen usually happened wrong. Things came off because ideals were realized by practical method, decision, and driving power. I should like to be able to give the people of America a revealing glimpse, by outline and incident, of all this. And I should like, too, to be able to make clear the pure Americanism of this man; to disclose the basis of belief in the soundness of the American heart and the practical possibilities of American democracy on which Hoover banked in determining his methods and daring his decisions. This belief was the easier to hold inasmuch as he has himself the soundness of character, the fundamental conviction of democracy, and the true philanthropy that he attributes to the average American. He is his own American model.

To call Herbert Hoover “English” as a cheap form of derogation, is to reveal a surprising paucity of invention in criticism. It is also unfair to about as American an American as can be found. The translation of *Agricola*, an account of which closed our last chap-

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ter, stretched over the long time that it did, not alone because Mr. and Mrs. Hoover could give only their spare hours to it, but also because they could turn to it only while they were in London where the needed reference books were available. And their presence in London was so discontinuous that their translating work was much more marked by interruption than continuity. The constant returns to America where there were the New York and San Francisco offices to be looked after personally, and the many trips to the mining properties scattered over the world, limited Hoover's London days to a comparatively small number in each year. A London office was, to be sure, necessary between 1902 and 1914 because of the advantage to a world miner of being close to affairs in the world's center of mining interests. And it was also necessary during Belgian relief days because of its unequaled accessibility, by persons or cable, from all the vital points in the complex international structure of the relief organization. But in all this period of London connection, except in the Belgian relief period, Hoover

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was a familiar figure in mining circles in both New York and San Francisco, and although rarely able to cast his vote in America he maintained a lively interest in American major governmental affairs.

Hoover kept up, too, an active interest in the development of his *alma mater*, Stanford University, and especially in its geology and mining engineering department. In 1908 he was asked to join its faculty, and delivered a course of lectures on the principles of mining, which attracted such favorable comment that he repeated it shortly after in condensed form in Columbia University. On the basis of his experience as a university student of mining, and as a successful mine expert and operator, and as an employer of many other university graduates from universities and technical schools Hoover has formed definite conclusions as to what the distinctive character of professional university training for prospective mining engineers should be. It differs from a widely held view.

He believes that the collegiate training should be less practical than fundamental.

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The attempts, more common a decade ago than now perhaps, to convert schools of mining and departments of mining geology into shops and artificial mines, do not meet with favor in his eyes. Vocational, or professional, training in universities should leave most of the actual practice to be gained in actual experience and work after graduation. If the student is well-grounded in the fundamental science of mining and metallurgy, in geology and chemistry and physics and mechanics, he can quickly pick up the routine methods of practice. And he can do more. He can understand their *raison d'être*, and he can modify and adapt them to the varying conditions under which they must be applied. He can, in addition, if he has any originality of mind at all, devise new methods, discover new facts of mining geology—the interior of the earth is by no means a read book as yet—and add not only his normal quota of additional wealth to the world, as a routine worker, but an increment of as yet unrealized possibilities, as an original investigator. In Hoover's own choice of assistants he has selected among men fresh from the universi-

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ties or technical schools those who have had thoroughly scientific, as contrasted with much technical, or so-called practical, training.

His interest in universities and university administration and methods has always been intense. It has been reciprocated, if his honorary degrees from a dozen American colleges and universities can be assumed to be evidence of this. In 1912 he was made a trustee of Stanford and from the beginning of this trusteeship until now he has taken an active part in the university management, giving it the full benefit of his constructive service. His most recent activity in this connection has concerned itself with the needed increase and standardization of faculty salaries so that for each grade of faculty position there is assured at least a living minimum of salary. He was the originating figure and principal donor of the Stanford Union, a general club-house for students and faculty, which adds materially to the comfort of home-wandering alumni and to the democratic life of the University. In all the great University plant there was no place for a common social meeting-ground for faculty, alumni,

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and undergraduates. The Union provided it. If Stanford did much for Hoover in the days when he was one of its students, he has loyally repaid his obligation.

But all of these accounts of Hoover's various activities still leave unanswered many questions concerning the more intimate personal characteristics of the man to whom the World War came in August, 1914, with its special call for service. He was then just forty years old, known to mining engineers everywhere and to the alumni and faculty and friends of Stanford University and to a limited group of business acquaintances and personal friends, but with a name then unknown to the world at large. Today no name is more widely known. Today millions of Europeans call him blessed; millions of Americans call him great. My own belief is that he and his work did more to save Europe from complete anarchy after the war than any other influence exerted on its people from the outside, and that without it there was no other sufficient influence either outside or inside which would have prevented this anarchy.

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Hoover's kinds of work are many, but his recreations are few. His chief form of exercise—if it is exercise—is motoring. He does not play outdoor games; no golf, tennis, but little walking. He has no system of kicking his legs about in bed or going through calisthenics on rising. And yet he keeps in very good physical condition, at least he keeps in sufficiently good condition to do several men's days' work every day. He has a theory about this which he practices, and which he occasionally explains briefly to those who remonstrate with him about his neglect of exercise. "You have to take exercise," he says, "because you overeat. I do not overeat, and therefore I do not need exercise." It sounds very simple and conclusive; and it seems to work—in his case.

He likes social life, but not society life. He enjoys company but he wants it to mean something. He has little small talk but plenty of significant talk. He saves time by cutting out frills, both business and social. His directness of mental approach to any subject is expressed in his whole manner: his immediate attack in

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conversation on the essence of the matter, his few words, his quick decisions. He can make these decisions quickly because he has clear policies to guide him. I recall being asked by him to come to breakfast one morning at Stanford after he had been elected trustee, to talk over the matter of faculty standards. His first question to the two or three of us who were there was: What is the figure below which a professor of a given grade (assistant, associate, or full professor) cannot maintain himself here on a basis which will not lower his efficiency in his work or his dignity in the community? We finally agreed on certain figures. "Well," said Hoover, "that must be the minimum salary of the grade."

He knows what he wants to do, and goes straight forward toward doing it; but if difficulty too great intervenes—it really has to be very great—he withdraws for a fresh start and tries another path. I always think of him as outside of a circle in the center of which is his goal. He strikes the circle at one spot; if he can get through, well and good. If not he draws away, moves a little around the circum-

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ference and strikes again. This resourcefulness and fertility of method are conspicuous characteristics of him. To that degree he is "diplomatic." But if there is only one way he fights to the extreme along that way. And those of us who have lived through the difficult, the almost impossible, days of Belgian relief, food administration, and general European after-the-war relief, with him, have come to an almost superstitious belief in his capacity to do anything possible to human power.

He has a great gift of lucid exposition. His successful argument with Lloyd George, who began a conference with him on the Belgian relief work strongly opposed to it on grounds of its alleged military disadvantages to the Allies, and closed it by the abrupt statement: "I am convinced; you have my permission," is a conspicuous example, among many, of his way of winning adherence to his plans, on a basis of good grounds and lucid and effective presentation of them. He has no voice for speaking to great audiences, no flowers of rhetoric or familiar platitudes for professional oratory, but there is no more effective living

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speaker to small groups or conferences around the council table. He is clear and convincing in speech because he is clear and precise in thinking. He is fertile in plan and constructive in method because he has creative imagination.

The first of his war calls to service came just as he was preparing to return to America from London where he had brought his family from California to spend the school vacation of 1914. Their return passage was engaged for the middle of August. But the war came on, and with it his first relief undertaking. It was only the trivial matter—trivial in comparison with his later undertakings—of helping seventy thousand American travelers, stranded at the outbreak of the war, to get home. These people, rich and poor alike, found themselves penniless and helpless because of the sudden moratorium. Letters of credit, travelers' checks, drafts, all were mere printed paper. They needed real money, hotel rooms, steamer passages, and advice. And there was nobody in London, not even the benevolent and most willing but in this respect powerless American ambassador who

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could help them. At least there seemed none until Hoover transferred the "relief" which had automatically congested about his private offices in the "city" during the first two days to larger headquarters in the Hotel Savoy. He gathered together all his available money and that of American friends and opened a unique bank which had no depositors and took in no money, but continuously gave it out against personal checks signed by unknown but American-looking people on unknown banks in Walla Walla and Fresno and Grand Rapids and Dubuque and Emporia and New Bedford. And he found rooms in hotels and passage on steamers, first-class, second-class or steerage, as happened to be possible. Now on all these checks and promises to pay, just \$250 failed to be realized by the man who took a risk on American honesty to the extent of several hundred thousand dollars.

Some of the incidents of this "relief" were pathetic, and some were comic. One day the banker and his staff, which was composed of his wife and their friends, were startled by the apparition in the front office of a

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group of American plains Indians, Blackfeet and Sioux, all in the most Fenimore Cooperish of full Indian dress, feathers and skins, war-paint and tomahawks. They had been part of a Wild West show and menagerie caught by the war's outbreak in Austria, and had, after incredible experiences, made their way out, dropping animals and baggage as they progressed, until they had with them only what they had on, which in order to save the most valuable part of their portable furniture, was their most elaborate costumes. They had got to London, but to do it they had used up the last penny and the last thing they could sell or pawn except their clothes, which they had to wear to cover their red skins. Hoover's American bank saw these original Americans off, with joyful whoopings of gratitude, for Wyoming.

But the work was not limited to lending the barely necessary funds to those who wished to borrow. He raised a charitable fund among these same friends for caring for the really destitute ones until other relief could come. This came in the shape of the American Government's "ship of gold," the battle-ship *Ten-*

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*nessee*, sent over to the rescue. Hoover was then asked by Ambassador Page and the Army officers in charge of the London consignment of this gold to persuade his volunteer committee to continue their labors during its distribution. With this money available all who were able to produce proof of American citizenship could be given whatever was necessary to enable them to reach their own country.

And then came the next insistent call for help. And in listening to it, and, with swift decision, undertaking to respond to it, Herbert Hoover launched himself, without in any degree realizing it, on a career of public service and corresponding abnegation of private business and self-interest, that was to last all through the war and through the armistice period, and is today still going on. In all this period of war and after-war service he has received no salary from government or relief organizations but, on the contrary, has given up a large income as expert mining engineer and director of mining companies. In addition, he has paid out a large sum for personal

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expenses incurred in connection with the work.

The call was for the relief of Belgium. I know the story of Hoover in his relation to the relief of Belgium very well because I became one of his helpers in it soon after the war began and remained in it until the end. But it is a hard story to tell; there is too much of it. My special duties were of a kind to keep me constantly in touch with "the Chief," and I was able to realize, as only a few others were, the load of nerve-racking responsibility and herculean labor carried by him behind the more open scene of the public money-gathering, food-buying and transporting, and daily feeding of the ten million imprisoned people of occupied Belgium and France. In the relief of these helpless peoples Hoover put, perhaps for the first time, certainly for the first time on any such enormous scale and with such outstanding success, philanthropy on a basis of what dear old Horace Fletcher, shut up with us in Belgium during the Occupation, would permit to be referred to by no other phrase than the somewhat hackneyed one of "engineering efficiency," unless we would use a new word for

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it which he coined. In fact he used the new word "Hooverizing" as a synonym for efficiency with a heart in it, two years before it became familiar in America with another meaning. And I prefer his meaning of the word to that of the food-saving meaning with which we became familiar in Food Administration days.

## CHAPTER VIII

### THE RELIEF OF BELGIUM; ORGANIZATION AND DIPLOMATIC DIFFICULTIES

DESPITE the general popular knowledge that there was a relief of Belgium and that Hoover was its organizer and directing head, there still seems to be, if I may judge by the questions often asked me, no very wide knowledge of just why there had to be such relief of Belgium and how Herbert Hoover came to undertake it. A fairly full answer to these queries makes a proper introduction to any account, however brief, of his participation in this extraordinary part of the history of the war.

The World War began, as we all most vividly remember, with the successful, although briefly but most importantly delayed invasion of Belgium. And this invasion resulted in producing very promptly not only a situation appalling in its immediate realization, but one

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of even more terrifying possibilities for the near future. For through the haze of the smoke-clouds from burning towns and above the rattle of the machine guns in Dinant and Louvain could be seen the hovering specter of starvation and heard the wailing of hungry children. And how the specter was to be made to pass and the children to hush their cries was soon the problem of all problems for Belgium.

Within ten weeks after the first shots of the War all of Belgium except that dreary little stretch of sand and swamp in the northwestern corner of it that for over four years was all of the Kingdom of Belgium under the rule of King Albert, was not only in the hands of a brutal enemy but was enclosed and shut away from the rest of the world by a rigid ring of steel. Not only did the Germans maintain a ring of bayonets and electrified wire fence—this latter along the Belgian-Dutch frontier—around it, but the Allies, recognizing that for all practical purposes, Occupied Belgium was now German territory, had to include it in their blockade of the German coast. Thus no persons or supplies could pass in or out of Bel-

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gium except under extraordinary circumstances, such as a special permission from both Germany and Allies or a daring and almost impossible blockade-running.

Now Belgium is not, as America is, self-sustaining as to food. If an enemy could completely blockade us, we could go on living indefinitely on the food we produce. But Belgium could not; nor could England or France or Italy. Belgium is not primarily an agricultural country, despite the fact that what agriculture it does have is the most intensive and highly developed in Europe. It is an industrial country, the most highly industrialized in Europe, with only one sixth of its people supporting themselves by agriculture. It depends upon constant importations for fifty per cent of its general food needs and seventy-five per cent of its needed food-grains.

The ring of steel about Belgium, then, if not promptly broken, plainly meant starvation. The imprisoned Belgians saw, with the passing days, their little piles of stored food supplies get lower. They had immediately begun rationing themselves. The Government and

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cities had taken possession of such small food stocks as had not been seized by the Germans for their armies, and were treating them as a common supply for all the people. They distributed this food as well as they could during a reign of terror with all railways and motors controlled by their conquerors. They lived in those first weeks on little food but much hope. For were not their powerful protectors, the French and English, very quickly going to drive the invaders back and out of their country? But it soon became apparent that it was the Allied armies that were being driven not only out of Belgium but farther and farther back into France. So the Allies could do nothing, and the Germans would do nothing to help them. Indeed, everything the Germans did was to make matters worse. There was only one hope; they must have food from outside sources, and to do this they must have recourse to some powerful neutral help.

Belgium, and particularly Brussels, has always had its American colony. And it was to these Americans that Belgium turned for help. Many members of the colony left as soon after

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the war began as they could, but some, headed by Minister Brand Whitlock, remained. When the Belgian court left Brussels for Antwerp, and later for Le Havre, part of the diplomatic corps followed it, but a smaller part stayed in Brussels to occupy for the rest of the war a most peculiar position. Mr. Whitlock elected to stay. It was a fortunate election for the Belgians. Also it meant many things, most of them interesting, for the sympathetic Minister.

When the American expatriates in Belgium who wished to leave after the war began, applied to Minister Whitlock for help to become repatriates, he called to his assistance certain American engineers and business men then resident in Brussels, notably Messrs. Daniel Heineman, Millard Shaler, and William Hulse. He also had the very effective help of his First Secretary of Legation, Mr. Hugh Gibson, now our Minister to Poland. These men were able to arrange the financial difficulties of the fleeing Americans despite closed banks, disappearing currency, and general financial paralysis. When this was finished

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they readily turned to the work of helping the Belgians, the more readily because they were the right sort of Americans.

Their first effort, in coöperation with the burgomaster of Brussels and a group of Brussels business men, was the formation of a Central Committee of Assistance and Provisioning, under the patronage of the Ministers of the United States and Spain (Mr. Whitlock and the Marques de Villalobar). This committee was first active in the internal measures for relief already referred to, but soon finding that the shipping about over the land of the rapidly disappearing food stocks of the country and the special assistance of the destitute and out-of-work—the destruction of factories and the cessation of the incoming of raw materials had already thrown tens of thousands of men out of employment—must be replaced by a more radical relief, this committee resolved to approach the Germans for permission to attempt to bring in food supplies from outside the country.

Burgomaster Max had already written on September 7 to Major General Luettwitz, the

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German Military Governor of Brussels, asking for permission to import foodstuffs through the Holland-Belgium border, and the city authorities of Charleroi had also begun negotiation with the German authorities in their province (Hainaut) to the same end, but little attention had been paid to these requests. Therefore the Americans of the committee decided, as neutrals, to take up personally with the German military authorities the matter of arranging imports.

A general permission for the importation of foodstuffs into Belgium by way of the Dutch frontier was finally obtained from the German authorities in Belgium, together with their guarantee that all such imported food would be entirely free from requisition by the German army. Also, a special permission was accorded to Mr. Shaler to go to Holland, and, if necessary, to England to try to arrange for obtaining and transporting to Belgium certain kinds and quantities of foodstuffs. But no money could be sent out of Belgium to pay for them, except a first small amount which Mr. Shaler was allowed to take with him.

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In Holland, Mr. Shaler found the Dutch government quite willing to allow foodstuffs to pass through Holland for Belgium, but it asked him to try to arrange to find the supplies in England. Holland already saw that she would need to hold all of her food supplies for her own people. So Shaler went on to England. Here he tried to interest influential Americans in Belgium's great need, and, through Edgar Rickard, an American engineer, he was introduced to Herbert Hoover.

This brings us to Hoover's connection with the relief of Belgium. But there was necessary certain official governmental interest on the part of America and the Allies before anybody could really do much of anything. Hoover therefore introduced Shaler to Dr. Page, the American Ambassador, a man of heart, decision, and prompt action. This was on October 7. A few days before, on September 29, to be exact, Shaler together with Hugh Gibson, the Secretary of the American Legation in Brussels who had followed Shaler to London, had seen Count Lalaing, the Belgian minister to England, and explained to him the

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situation inside of Belgium. They also handed him a memorandum pointing out that there was needed a permit from the British Government allowing the immediate exportation of about 2,500 tons of wheat, rice, beans, and peas to Belgium. Mr. Shaler had brought with him from Brussels money provided by the Belgian *Comité Central* sufficient to purchase about half this amount of foodstuffs.

The Belgian Minister transmitted the request for a permit to the British Government on October 1. On October 6 he received a reply which he, in turn, transmitted to the American Ambassador in London, Mr. Page. This reply from the British Government gave permission to export foodstuffs from England through Holland into Belgium, under the German guarantees that had previously been obtained by Mr. Heineman's committee, on the condition that the American Ambassador in London, or Americans representing him, would ship the foodstuffs from England, consigned to the American Minister in Brussels; that each sack of grain should be plainly marked accordingly, and that the foodstuffs

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should be distributed under American control solely to the Belgian civil population.

On October 7, the day that Hoover had taken Shaler to the American Embassy and they had talked matters over with Mr. Page, the Ambassador cabled to Washington outlining the British Government's authorization and suggesting that, if the American Government was in accord with the whole matter as far as it had gone, it should secure the approval of the German Government. After a lapse of four or five days, Ambassador Page received a reply from Washington in which it was stated that the American Government had taken the matter up with Berlin on October 8.

After an exchange of telegrams between Brussels, London, Washington, and Berlin, Ambassador Page was informed on October 18 by Ambassador Gerard, then American Ambassador in Berlin, that the German Government agreed to the arrangement, and the following day confirmation of this was received from Washington.

Sometime during the course of these negotiations Ambassador Page and the Belgian au-

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thorities formally asked Hoover to take on the task of organizing the relief work, if the diplomatic arrangements came to a satisfactory conclusion. His sympathetic and successful work in looking after the stranded Americans, all done under the appreciative eyes of the American Ambassador, had recommended him as the logical head of the new and larger humanitarian effort. Hoover had agreed, and his first formal step, taken on October 10, in organizing the work, was to enlist the existing American Relief Committee, whose work was then practically over, in the new undertaking. He amalgamated its principal membership with the Americans in Brussels, and on October 13, issued in the name of this committee an appeal to the American people to consolidate all Belgian relief funds and place them in the hands of the committee for disposal. At the same time Minister Whitlock cabled an appeal to President Wilson to call on America for aid in the relief of Belgium.

Between October 10 and 16 it was determined by Ambassador Page and Mr. Hoover that it was desirable to set up a wholly

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new neutral organization. Hoover enlisted the support of Messrs. John B. White, Millard Hunsiker, Edgar Rickard, J. F. Lucey, and Clarence Graff, all American engineers and business men then in London, and these men, together with Messrs. Shaler and Hugh Gibson, thereupon organized, and on October 22 formally launched, "The American Commission for Relief in Belgium," with Hoover as its active head, with the title of chairman. Ambassador Page and Ministers Van Dyke and Whitlock, in The Hague and Brussels, respectively, were the organization's honorary chairmen. A few days afterward, at the suggestion of Minister Whitlock, Señor Don Merry del Val, the Spanish Ambassador in London, and Marques de Villalobar, the Spanish Minister in Brussels, both of whom had been consulted in the arrangements in Belgium and London, were added to the list of honorary chairmen. And, a little later, there were added the names of Mr. Gerard, the American Ambassador at Berlin, Mr. Sharp, our Ambassador at Paris, and Jongkeer de Weede, the Dutch Minister to the Belgian

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Government at Le Havre where it had taken refuge. At the same time the name of the Commission was modified by dropping from it the word "American" in deference to the official connection of the Spanish diplomats with it. The new organization thus became styled "The Commission for Relief in Belgium," which remained its official title through its existence. This name was promptly reduced, in practical use by its members, with characteristic American brevity, to "C. R. B.," which, pronounced "tsay-er-bay," was also soon the one most widely used in Belgium and Occupied France by Belgian, French, and Germans alike.

I have given this account of the organization and status of the Commission in so much detail because it reveals its imposing official appearance which was of inestimable value to it in carrying on its running diplomatic difficulties all through the war. The official patronage of the three neutral governments, American, Spanish and Dutch, gave us great strength in facing the repeated assaults on our existence and the constant interference with our work by

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German officials and officers. I have earlier used the phrase “satisfactory conclusion of diplomatic arrangements.” There never was, in the whole history of the Commission, any satisfactory conclusion of such arrangements; there were sufficiently satisfactory conditions to enable the work to go on effectively but there was always serious diplomatic difficulty. Ministers Whitlock and Villalobar, our “protecting Ministers” in Brussels, had to bear much of the brunt of the difficulties, but the Commission itself grew to have almost the diplomatic standing of an independent nation, its chairman and the successive resident directors in Brussels acting constantly as unofficial but accepted intermediaries between the Allies and the Germans.

The “C. R. B.” was organized. It had its imposing list of diplomatic personages. It had a chairman and secretary and treasurer and all the rest. But to feed the clamoring Belgians it had to have food. To have food it had to have money, much money, and with this money food in large quantity had to be obtained in a world already being ransacked by the purchasing agents of France and England

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seeking the stocks that these countries knew would soon be necessary to meet the growing demands of their armies and civilians drawn from production into the great game of destruction. Once obtained, the food had to be transported overseas and through the mine-strewn Channel to Rotterdam, the nearest open port of Belgium, and thence by canals and railways into the starving country and its use there absolutely restricted to the civil population. Finally, the feeding of Belgium had to begin immediately and arrangements had to be made to keep it up indefinitely. The war was not to be a short one; that was already plain. It was up to Hoover to get busy, very busy.

The first officials of the C. R. B. and all the men who came into it later, agree on one thing. We relied confidently on our chairman to organize, to drive, to make the impossible things possible. We did our best to carry out what it was our task to do. If we had ideas and suggestions they were welcomed by him. If good they were adopted. But principally we worked as we were told for a man who worked harder than any of us, and who

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planned most of the work for himself and all of us.

He had the vision. He saw from the first that the relief of Belgium would be a large job; it proved to be a gigantic one. He saw that all America would have to be behind us; indeed that the whole humanitarian world would have to back us up, not merely in funds but in moral support. For the military logic of the situation was only half with us; it was half against us. The British Admiralty, trying to blockade Germany completely, saw in the feeding of ten million Belgians and French in German-occupied territory a relief to the occupiers who would, by the accepted rules of the game, have to feed these people from their own food supplies. The fact that the Germans declared from the first that they never would do this and in every test proved that they would not, was hard to drive home to the Admiralty and to many amateur English strategists safely far from the sufferings of the hungering Belgians.

On the other hand other influential governmental officials, notably the Prime Minister

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and the heads of the Foreign Office, saw in the Allied help for these people the only means to prevent them from saving their lives in the one other way possible to them, that is, by working for the Germans. Fathers of families, however patriotic, cannot see their wives and children starve to death when rescue is possible. And the Germans offered this rescue to them all the time. Never a day in all the four years when German placards offering food and money for their work did not stare in the faces the five hundred thousand idle skilled Belgian workmen and the other hundreds of thousands of unskilled ones shut up in the country.

Germany, also, had two opinions about Belgian relief. There were zu Reventlow and his great party of jingoes who cried from beginning to end: Kick out these American spies; make an end of this soft-heartedness. Here we have ten million Allied hostages in our hands. Let us say to England and France and the refugee Belgian cabinet at Le Havre: Your people may eat what they now have; it will last them a month or two; then they shall not have

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a mouthful from Germany or anywhere else unless you give up the blockade and open the ports of Belgium and Germany alike to incoming foods.

On the other side were von Bissing and his German governing staff in Belgium, together with most of the men of the military General Staff at Great Headquarters. Von Bissing tried, in his heavy, stupid way, to placate the Belgians; that was part of his policy. So he would offer them food—always for work—with one hand, while he gave them a slap with the other. He wanted Belgium to be tranquil. He did not want to have openly to machine-gun starving mobs in the cities, however many unfortunates he allowed to be quietly carried out to the *Tir National* at gray dawn to stand for one terrible moment before the ruthless firing squad. And the hard-headed men of the General Staff knew that starving people do not lie down quietly and die. All the northern lines of communication between the west front and Germany ran through the countries of these ten million imprisoned French and Belgians. Even without arms they could make much

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trouble for the guards of bridges and railways in their dying struggles. At least it would require many soldiers to kill them fast enough to prevent it. And the soldiers, all of them, were needed in the trenches. In addition the German General Staff earnestly desired and hoped up to the very last that America would keep out of the war. And these extraordinary Americans in Belgium seemed to have all of America behind them; that is what the great relief propaganda and the imposing list of diplomatic personages on the C. R. B. list were partly for. Hoover had realized from the beginning what this would mean. "No," said the higher German officials, "it will not do to interfere too much with these quixotic Americans."

But the Germans, most of them at least, never really understood us. One day as Hoover was finishing a conversation with the head of the German Pass-Zentral in Brussels, trying to arrange for a less vexing and delaying method of granting passes for the movements of our men, the German officer said: "Well, now tell me, Herr Hoover, as man to man, what do you get out of all this? You

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are not doing all this for nothing, surely." And a little later, at a dinner at the Great Headquarters to which I had been invited by one of the chief officers of the General Staff, he said to me, as we took our seats: "Well, how's business?" I could only tell him that it was going as well as any business could that made no profits for anybody in it.

It was impressive to see Hoover in the crises. We expected a major crisis once a month and a minor one every week. We were rarely disappointed in our expectations. I may describe, for illustration, such a major crisis, a very major one, which came in August, 1916. The Commission had been making a hard fight all summer for two imperatively needed concessions from the Germans. We wanted the General Staff to turn over to us for the civil population a larger proportion of the 1916 native crop of Occupied France than we had had from the 1915 crop. And we wanted some special food for the 600,000 French children in addition to the regular program imported from overseas. We sorely needed fresh meat, butter, milk and eggs for them and we had discov-

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ered that Holland would sell us certain quantities of these foods. But we had to have the special permission of both the Allies and Germany to bring them in.

Hoover, working in London, obtained the Allied consent. But the Germans were holding back. I was pressing the General Staff at Great Headquarters at Charleville and von Bissing's government at Brussels. Their reasons for holding back finally appeared. Germany looked on Holland as a storehouse of food which might some time, in some way, despite Allied pressure on the Dutch Government, become available to Germany. Although the French children were suffering terribly, and ceasing all growth and development for lack of the tissue-building foods, the Germans preferred not to let us help them with the Dutch food but to cling to their long chance of sometime getting it for themselves.

Hoover came over to Brussels and, together, we started for Berlin. We discovered von Bissing's chief political adviser, Baron von der Lancken and his principal assistant, Dr. Rieth, on the same train. These were the two

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men who, after the armistice, proposed to Hoover by wire through our Rotterdam office, to arrange with him for getting food into Germany and received by prompt return wire through the same intermediary: "Mr. Hoover's personal compliments and request to go to hell. If Mr. Hoover has to deal with Germany for the Allies it will at least not be with such a precious pair of scoundrels."

When these gentlemen, who had helped greatly in making our work and life in Belgium very difficult, saw us, they were somewhat confused but finally told us they were called to Berlin for a great conference on the relief work. When we reached Berlin we found three important officers from Great Headquarters in the Hotel Adlon. Two of them we knew well; they had always been fairly friendly to us. The third was General von Sauberzweig, military governor of Brussels at the time of Miss Cavell's execution, and the man of final responsibility for her death. As a result of the excitement in Berlin because of the world-wide indignation over the Cavell affair he had been removed from Brussels *by promotion* to the Quarter-

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master Generalship at Great Headquarters!

The Berlin conference of important representatives of all the government departments and the General Staff had been called as a result of the influence of zu Reventlow and the jingoes who wished to break down the Belgian relief. We were not invited; we just happened to be there. We could not attend the conference, but we could work on the outside. We went to Ambassador Gerard for advice. The Allies were pressing the Commission to get the concessions on the 1916 native crop. Our effort to get the food for the children was entirely our own affair. Mr. Gerard advised Hoover to rely entirely on the Commission's reputation for humanity and neutrality; to keep the position of the Allies wholly out of the discussion. But this was indeed only the confirmation by a wise diplomat of the idea of the situation that Hoover already had.

Most of the conference members were against the relief. At the end of the first session Lancken and one of the Headquarters officers told us that things were almost certainly going wrong. They advised Hoover to give

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up. What he did was to work harder. He forced the officials of the Foreign Office and Interior to hear him. He pictured the horrible consequences to the entire population of Belgium and Occupied France of breaking off the relief, and painted vividly what the effect would be on the neutral world, America, Spain, and Holland in very sight and sound of the catastrophe. He pleaded and reasoned—and won! It was harder than his earlier struggle with Lloyd-George, already entirely well inclined by feelings of humanity, but in each case he had saved the relief. Not only did the conference not destroy the work, but by continued pressure later at Brussels and Great Headquarters we obtained the agreements for an increase of the civilian allotment out of the 1916 French crop and for the importation of some of the Dutch food for the 600,000 suffering children. It was a characteristic Hooverian achievement in the face of imminent disaster.

Hoover and the C. R. B. were in Belgium and France for but one purpose, to feed the people, to save a whole nation from starvation. To them the political aspects of the work were

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wholly incidental, but they could not be overlooked. So with the Germans disagreeing among themselves, it was the impossibility of France's letting the two and a half million people of her own shut up in the occupied territory starve under any circumstances possible to prevent, and the humanitarian feeling of Great Britain and America, which Hoover, by vivid propaganda, never allowed to cool, and the strength of which he never let the diplomats and army and navy officials lose sight of, that turned the scale and enabled the Commission for Relief in Belgium to continue its work despite all assault and interference. Over and over again it looked like the end, and none of us, even the sanguine Chief, was sure that the next day would not be the last. But the last day did not come until the last day of need had passed, and never from beginning to end did a single commune of all the five thousand of Occupied Belgium and France fail of its daily bread. It was poor bread sometimes, even for war bread, and there were many to-morrows that promised to be breadless, but no one of those to-morrows ever came.

## CHAPTER IX

### THE RELIEF OF BELGIUM; SCOPE AND METHODS

I HAVE dropped the thread of my tale. Our narrative of the organization of the Commission for Relief in Belgium had brought us only to the time when the Commission was actually ready to work, and we have leaped to the very end of those bitter hard four years. We must make a fresh start.

First, then, as to money. And to understand about the money it is necessary to understand the two-phased character of the relief of Belgium. There was the phase of *ravitaillement*, the constant provisioning of the whole land; and the phase of *secours*, the special care of the destitute and the ill and the children.

The ring of steel did not immediately make beggars of all the Belgians enclosed within it. Many of them still had money. But, as I have already said, the Germans would not allow any

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of this money to go out. It could buy only what was in Belgium. And as Belgium could produce only about half the food it needed to keep its people alive, and only one fourth of the particular kind of foodstuffs that were necessary for bread, and as it was arranged, by control of the mills and bakeries, that these bread-grains should be evenly distributed among all the people, it meant that even though banker this or baron that might have money to buy much more, he could really buy, with all his money, only one fourth as much bread as he needed. There had to be, in other words, a constant bringing in of enough wheat and flour to supply three fourths of the bread-needs of the whole country, and another large fraction of the necessary fats and milk and rice and beans and other staples. This was the *ravitaillement*.

But even with the food thus brought in there were many persons, and as the days and months and years passed they increased to very many, who had no money to buy this food. They were the destitute, the families of the hundreds of thousands of men thrown out of work by the

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destruction of the factories and the cessation of all manufacturing and commerce. And there were the Government employees, the artists, the lace-making women and girls, and a whole series of special kinds of wage-earners, with all wages suddenly stopped. To all these the food had to be given without pay. This was the *secours*.

To obtain the food from America and Argentina and India and wherever else it could be found a constant supply of money in huge amounts was necessary. Hoover realized from the beginning that no income from charity alone could provide it. His first great problem was to assure the Commission of means for the general *ravitaillement*. He solved the problem but it took time. In the meanwhile the pressure for immediate relief was strong. He began to buy on the credit of a philanthropic organization which had so far no other assets than the private means of its chairman and his friends.

The money, as finally arranged for, came from government subventions about equally divided between England and France, in the

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form of loans to the Belgian Government, put into the hands of the Commission. Later when the United States came into the war, this country made all the advances. Altogether nearly a billion dollars were spent by the C. R. B. for supplies and their transportation, at an overhead expense of a little more than one half of one per cent. This low overhead is a record in the annals of large philanthropic undertaking, and is a measure of the voluntary service of the organization and of its able management.

For the *secours*, fifty million dollars worth of gifts in money, food and clothing were collected by the Commission from the charitable people of America and Great Britain. The Belgians themselves inside the country, the provinces, cities, and well-to-do individuals, added, under the stimulus of the tragic situation and under the direction of the great Belgian National Committee, hundreds of millions of frans to the *secours* funds. Also the Commission and the Belgian National Committee arranged that a small profit should be charged on all the food sold to the Belgians who could pay for it, and this profit, which ran into mil-

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lions of dollars, was turned into the funds for benevolence. All this created an enormous sum for the *secours*, which was the real "relief," as benevolence. And this enormous sum was needed, for by the end of the war nearly one-half of all the imprisoned population of over seven million Belgians and two and a half million French were receiving their daily bread wholly or partly on charity. Actually one half of the inhabitants of the great city of Antwerp were at one time in the daily soup and bread lines.

Of the money and goods for benevolence that came from outside sources more than one third came from England and the British Dominions—New Zealand gave more money per capita for Belgian relief than any other country—while the rest came chiefly from the United States, a small fraction coming from other countries. The relief collections in Great Britain were made by a single great benevolent organization called the "National Committee for Relief in Belgium." This Committee, under the chairmanship of the Lord Mayor of London and the active management of Sir

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William Goode as secretary and Sir Arthur Shirley Benn as treasurer, conducted an impressive continuous campaign of propaganda and solicitation of funds with the result of obtaining about \$16,000,000 with which to purchase food and clothing for the Belgian destitute.

But in the United States the C. R. B. itself directly managed the campaign for charity, using its New York office as organizing and receiving headquarters. Part of the work was carried by definitely organized state committees in thirty-seven states and by scattered local committees in almost every county and large city in the country. Ohio, for example, had some form of local organization in eighty out of the eighty-eight counties in the state, and California had ninety local county and city committees all reporting to the central committee.

The American campaign was different from the English one in that instead of asking for money alone, the call was made, at first, chiefly for outright gifts of food, the Commission offering to serve, in connection with this benevo-

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lence, as a great collecting, transporting and distributing agency. This resulted in the accumulation of large quantities of foodstuffs of a wide variety of kinds, much of it in the nature of delicacies and luxuries and most of it put up in small packages. Tens of thousands of these packages were sent over to Belgium, but the cry came back from the Commission's workers there that food in this shape was very difficult to handle in any systematic way. It was quickly evident that what was really needed was large consignments in bulk of a few kinds of staple and concentrated foods, which could be shipped in large lots to the various principal distribution centers in Belgium and thence shipped in smaller lots to the secondary or local centers, and there handed out on a definite ration plan.

A number of states very early concentrated their efforts on the loading and sending of "state food ships." California sent the *Camino* in December, 1914, and in the same month Kansas sent the *Hannah* loaded with flour contributed by the millers of the state. In January and March, 1915, two Massachusetts

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relief ships, the *Harpalyce* (sunk by torpedo or mine on a later relief voyage) and *Lynorta*, sailed. Oregon and California together sent the *Cranley* in January, 1915, loaded with food and clothing, and several other similar state ships were sent at later dates. A gift from the Rockefeller Foundation of a million dollars was used to load wholly or in part five relief ships, and the "Millers' Belgian Relief" movement organized and carried through by the editor of the Northwestern Millers, Mr. W. C. Edgar, resulted in the contribution of a full cargo of flour, valued at over \$450,000, which left Philadelphia for Rotterdam in February, 1915, in the steamer *South Point*. The cargo was accompanied by the organizer of the charity, who was able to see personally the working of the methods of the C. R. B. inside of Belgium and the actual distribution of his own relief cargo. His Good Samaritan ship was sunk by a German submarine on her return trip, but fortunately the philanthropist was not on her. He returned by a passenger liner, and was able to tell the people of America what was needed in Bel-

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gium, and what America was doing and could further do to help meet the need.

Later, when it became necessary to obtain food from other primary markets in addition to those of America, appeal was specifically made for gifts of money in place of goods. In response to this call various large gifts from wealthy individual donors were made, among them one of \$210,000, another of \$200,000, and several of \$100,000 each, and various large donations came from the efforts of special organizations, notably the Daughters of the American Revolution, the New York Chamber of Commerce, the Cardinal Gibbons' Fund from the Catholic children of America, the Dollar Christmas Fund organized by Mr. Henry Clews, the "Belgian Kiddies, Ltd.," fund, organized by Hoover's brother mining engineers of the country, and, largest of all, the Literary Digest fund of more than half a million dollars collected by the efforts of Mr. R. J. Cuddihy, editor of the Digest, in sums ranging from a few pennies to thousands of dollars from children and their parents all over the land.

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By far the greater part of the money that came to the Commission through state committees or through special organizations, or directly from individuals to the New York office, was made up from small sums representing millions of individual givers. And it was a beautiful and an important thing that it was so. The giving not only helped to save Belgium from starvation of the body, but it helped to save America from starvation of the soul. The incidents, pathetic, inspiring, noble, connected with the giving, gave us tears and smiles and heart thrills and thanksgiving for the revelation of the human love of humanity in those neutral days of a distressing pessimism.

But finding the money and food and clothing was but the first great problem for the resourceful C. R. B. chairman to solve. Next came the serious problem of transportation, both overseas and internal. Ships were in pressing demand; they constantly grew fewer in number because of the submarine sinkings, and yet the Commission had constant need of more and more. Some way Hoover and his associates of the New York and London offices

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got what it was necessary to have, but it was only by a continuous and wearing struggle. Altogether the C. R. B. delivered seven hundred and forty full ship cargoes and fifteen hundred part cargoes of relief food and clothing into its landing port, Rotterdam. The seventy ships under constant charter as a regular C. R. B. fleet crossed the seas under guarantees from both the Allies and Germany of non-molestation by sea raiders or submarines. A few accidents happened, but not more than twenty cargoes were totally or partly lost at sea. Most of the losses came from mines, but a few came from torpedoes fired by German submarines which either did not or would not see the C. R. B. markings on the ships. The signals were plain—conspicuous fifty-foot pennants flying from the mast-heads, great cloth banners stretching along the hull on either side, a large house flag, wide deck cloths, and two huge red-and-white-striped signal balls eight feet in diameter at the top of the masts. All these flags and cloths were white, carrying the Commission's name or initials (C. R. B.) in great red letters. Despite all these, a few

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too eager or too brutal submarine commanders let fly their torpedoes at these ships of mercy.

Hoover's most serious time in connection with the overseas transportation, and the most critical period as regards supplies in the whole course of the relief was just after the putting into effect by the Germans, in February, 1917, of the unrestricted submarine of all boats found in the so-called prohibited ocean zones. These zones covered all of the waters around the United Kingdom, including all of the English Channel and North Sea. This cut us off entirely from any access to Rotterdam from the West or North. But it also cut Holland off. And between our pressure and that of Holland the German authorities finally arranged for a narrow free, or "safe," north-about route extending from the Dutch coast north to near the Norwegian coast, thence northwest to the Faroe Islands, and thence west to the Atlantic beyond the barred zone. At one point this "safe" zone was only twenty miles wide between the German and English mine-fields in the North Sea and any ship getting a few rods across the line either east or

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west was in great danger from mines and was exposed to being torpedoed without warning. Imagine the state of mind of a skipper who had not seen the sun for three or four days in a North Sea fog, trying to make out his position accurately enough by dead reckoning to keep his boat in that "safe" channel.

But even this generous concession to the Commission and Holland was not arranged until March 15, and in the six weeks intervening between February 1 and this time we did not land a single cargo in Rotterdam. Belgium suffered in body and was nearly crazed in mind as we and the Belgian relief heads scraped the very floors of our warehouses for the last grains of wheat.

Another almost equally serious interruption in the food deliveries had occurred in the preceding summer (July, 1916), when, without a whisper of warning, Governor General von Bissing's government suddenly tied up our whole canal-boat fleet by an order permitting no Belgian-owned canal boat—although chartered by us—to pass out from Belgium into Holland without depositing the full value of

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the boat in money before crossing the frontier. The Governor General had reason to fear, he said, that some of the boats that went out would not come back, and he was going to lose no Belgian property subject to German seizure without full compensation. As the boats were worth, roughly, about \$5,000 each, and we were using about 500 boats it would have tied up two and a half million dollars of our money to meet this demand, and tied it up in German hands! We simply could not do it. So we began negotiations.

Oh, the innumerable beginnings of negotiations, and oh, the interminable enduring of negotiations, the struggling against form and "system," against obstinate and cruel delay—for delay in food matters in Belgium was always cruel—and sometimes against sheer brutality! How often did we long to say: Here, take these ten million people and feed them or starve them as you will! We quit. We can't go on fighting your floating mines and too eager submarines, your brutal soldiers and more brutal bureaucrats. Live up to your agreements to help us, or at least do not ob-

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struct us; or, if you won't, then formally and officially and publicly before the world kick us out as your arch-jingo, Reventlow, demands.

But we could not say it; we could not risk it; it was too certain to be starving rather than feeding. So we did not say it, but went on with the negotiations. In this particular case of the canal boats we finally compromised by putting up the value of five boats. If one did not come back the Germans were to take out its value and we were to replace the money so as to keep the pot full. Of course all the boats did come back, and now the Belgians and not the Germans have them.

Thus, guarded by guarantees and recognition marks, there came regularly, and mostly safely, across wide oceans and through the dangerous mine-strewn Channel or around the Faroe Islands, the rice from Rangoon, corn from Argentina, beans from Manchuria, and wheat and meat and fats from America at the rate of a hundred thousand tons a month through all the fifty months of the relief. At Rotterdam these precious cargoes were swiftly transhipped into sealed canal boats—a fleet of

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500 of them with 35 tugs for towing was in service—and hurried on through the canals of Holland and across the guarded border, and then on to the great central depots in Belgium, and from there again by smaller canal boats and railway cars and horse-drawn carts under all the difficulties of carrying things anywhere in a land where anything and everything available for transport was subject to requisition at any time by an all-controlling military organization, to the local warehouses and soup-kitchens of every one of the 5,000 Belgian and French communes in the occupied territory. And always and ever through all the months and despite all difficulties on water or land the food had to come *in time*. This was the transportation undertaking of Hoover's C. R. B.

Finally when the food was brought to the end of its journeying it had to be protected from hungry Germans and divided fairly among hungry Belgians. Always the world asked: But don't the Germans get the food? and it still asks: Yes, didn't they? Our truthful answer then and now is: No. And you need not take our answer alone. Ask the Brit-

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ish and French foreign offices. They knew almost as much as we did of what was going on inside of the steel ring around Belgium and occupied France. Their intelligence services were wonderful. Remember the guarantees of the German government to us and our protecting ministers and ambassadors, the diplomatic representatives of neutral America and Spain and Holland. The orders of von Bissing and the General Staff were explicit. Official German placards forbidding seizure or interference by German soldiers or officials were on all the canal boats and railway cars and horse carts and on all the warehouses used by the Commission.

Of course there were always minor infractions but there were no great ones. The Germans after the early days of wholesale seizure during the invasion and first few months after it, got but a trifling amount of food out of Belgium and almost none of it came from the imported supplies. Every Belgian was a detective for us in this ceaseless watch for German infractions and we had our own vigilant service of "Inspection and Control" by keen-

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eyed young Americans moving ceaselessly all over the country and ever checking up consumption and stocks against records of importation.

And this brings us to the American organization inside of Belgium. The New York and London and Rotterdam C. R. B. offices had their hard-working American staffs and all important duties but it was those of us inside the ring that really saw Belgian relief in its pathetic and inspiring details. We were the ones who saw Belgian suffering and bravery, ✓ and who were privileged to work side by side with the great native relief organization with its complex of communal and regional and provincial committees, and at its head, the great Comité National, most ably directed by Emile Francqui, whom Hoover had known in China. Thirty-five thousand organized Belgians gave their volunteer service to their countrymen from beginning to end of the long occupation. And many thousands more were similarly engaged in unofficial capacity. We saw the splendid work of the women of Belgium in their great national organizations, the "Little

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Bees," the "Drop of Milk," the "Discreet Assistance," and all the rest. My wife, who was inside with us, has tried to tell the story of the women of Belgium in another book, but as she rightly says: "The story of Belgium will never be told. That is the word that passes oftenest between us. No one will ever by word of mouth or in writing give it to others in its entirety, or even tell what he himself has seen and felt."

But the Americans inside know it. Its details will be their ineffaceable memories. It is a misfortune that so few Americans could share this experience. For we were never more than thirty-five or forty at a time; the Germans tried to limit us to twenty-five. We were always, in their eyes, potential spies. But we did no spying. We were too busy doing what Herbert Hoover had us there to do. Also we had promised not to spy. But it was a hard struggle to maintain the correctly neutral behavior which we were under obligation to do. And when the end of this strain came, which was when America entered the War, and the inside Americans had to go out, they all, al-

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most to a man, rushed to the trenches to make their protest, with gun in hand, against German Kultur as it had been exemplified under their eyes in Belgium.

Altogether about two hundred Americans represented the C. R. B. at various times inside of Belgium. They were mostly young university men, representing forty different American colleges and universities in their allegiance. A group of twenty Rhodes Scholars whom Hoover hurriedly recruited from Oxford at the beginning of the work was the pioneer lot. All of these two hundred were selected for intelligence, honor, discretion, and idealism. They had to be able, or quickly learn, to speak French. They had to be adaptable and capable of carrying delicate and large responsibility. They were a wonderful lot and they helped prove the fact that either the American kind of university education, or the American inheritance of mental and moral qualities, or the two combined, can justly be a source of American self-congratulation.

They were patient and long-suffering under difficulties and provocation. Ted Curtis, whose

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grandfather was George William, did, on the occasion of his seventeenth unnecessary arrest by German guards, express his opinion of his last captor in what he thought was such pure Americanese as to be safely beyond German understanding. But when his captor dryly responded in an equally pure argot: "Thanks, old man, the same to youse," he resolved to take all the rest in silence. And it was only after the third stripping to the skin in a cold sentry post that Robert W., a college instructor, made a mild request to the C. R. B. director in Brussels to ask von Bissing's staff to have their rough-handed sleuths conduct their examinations in a warmer room.

The relation of the few Americans in Belgium to the many Belgian relief workers was that of advisors, inspectors and final authorities as to the control and distribution of the food. The Americans were all too few to hand the food out personally to the hosts in the soup lines, at the communal kitchens, and in the long queues with rations cards before the doors of the bakeries and the communal warehouses. They could not personally manage the chil-

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dren's canteens, the discreet assistance to the "ashamed poor," who could not bring themselves to line up for the daily soup and bread, nor the cheap restaurants where meals were served at prices all the way from a fourth to three fourths of their cost. The Belgians did all this, but the Americans were a seeing, helping, advising, and when necessary, finally controlling part of it all.

The mills and bakeries were all under the close control of the Commission and the Belgian National Committee. The sealed canal boats were opened only under the eyes of the Americans. The records of every distributing station were constantly checked by the Americans. They sat at all the meetings of National and Provincial and Regional committees. They raced about the country in all weathers and over all kinds of roads in their much-worn open motor-cars, specially authorized and constantly watched and frequently examined by the Germans, each car carrying the little triangular white and red-lettered C. R. B. flag, that flapped encouragement as it passed, to all the hat-doffing Belgians.

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I am constantly asked: What were Hoover's personal duties and work in the relief days? It is a question one cannot answer in two words. His was all the responsibility, his the major planning, the resourceful devising of ways out of difficulty, the generalship. But the details were his also. He kept not only in closest touch with every least as well as greatest phase of the work, but took a personal active part in seeing everything through. Constant conferences with the Allied foreign offices and treasuries, and personal inspection of the young men sent over from America as helpers; swift movements between England and France and Belgium and Germany and America, and trips in the little motor launch about the harbor at Rotterdam examining the warehouses and food ships and floating elevators and canal boats; these were some of his contrasting activities through day following day in all the months and years of the relief.

Hoover had to make his headquarters in London at the Commission's central office. Here he could keep constantly in touch by

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cable and post with the offices in New York, Rotterdam, and Brussels. The Brussels office was allowed to send and receive German-censored mail three times a week by way of Holland, and we could do a limited amount of censored telegraphing to Rotterdam over the German and Dutch wires and thence to London by English-censored cable. But Hoover came regularly every few weeks to Brussels, taking his chances with mines and careless submarines. These were no slight chances. A Dutch line was allowed by England and Germany to run a boat, presumably unmolested, two or three times a week between Flushing and Thamesmouth. These jumpy little boats, which carried passengers only—the hold was filled with closed empty barrels lashed together to act as a float when trouble came—were the only means of bringing our young American relief workers to Belgium and of Hoover's frequent crossings. After seven of the ten boats belonging to the line had been lost or seriously damaged by mines the thrifty Dutch company suspended operation. We had then to cross secretly by English dispatch boats, protected

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by destroyers and specially hunted by German submarines.

On the occasion of one of Hoover's crossings two German destroyers lying outside of Flushing harbor ordered the little Dutch boat to accompany them to Zeebrugge for examination. This happened occasionally and was always exciting for the passengers, especially for the diplomatic couriers, who promptly dropped overboard their letter pouches, specially supplied with lead weights and holes to let in the water and thus insure prompt sinking. As the boat and convoying destroyers drew near to Zeebrugge, shells or bombs began to drop on the water around them. Hoover thought at first they were coming from English destroyers aiming at the Germans. But he could see no English boats. Suddenly an explosion came from the water's surface near the boat and the man standing next to him fell with his face smashed by a bomb fragment. Hoover seized him and dragged him around the deck-house to the other side of the boat. Another bomb burst on that side. He then heard the whir of an airplane and looking up saw several English

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bombing planes. Their intention was excellent, but their aim uncertain. The anti-aircraft guns of the German destroyers soon drove them away, and the convoy came into Zeebrugge harbor where the Dutch boat and passengers were inspected with German thoroughness. On Hoover's identity being revealed by his papers, he was treated with proper courtesy and after several of the passengers had been taken off the boat it was allowed to go on its way to Tilbury.

Hoover enjoyed an extraordinary position in relation to the passport and border regulations of all the countries in and out of which he had to pass in his movements connected with the relief. He was given a freedom in this respect enjoyed by no other man. He moved almost without hindrance and undetained by formalities freely in and out of England, France, Holland, occupied Belgium and France, and Germany itself, with person and traveling bags unexamined. It was a concrete expression of confidence in his integrity and perfect correctness of behavior, that can only be fully understood by those who had to make any movements

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at all across frontiers in the tense days of the war.

Governor General von Bissing once said to me in Brussels, apropos of certain charges that had been brought to him by his intelligence staff of a questionable behavior on the part of one of our men in Belgium—charges easily proved to be unfounded: “I have entire confidence in Mr. Hoover despite my full knowledge of his intimate acquaintance and association with the British and French Government officials and my conviction that his heart is with our enemies.” As a matter of fact Hoover always went to an unnecessary extreme in the way of ridding himself of every scrap of writing each time he approached the Holland-Belgium frontier. He preached absolute honesty, and gave a continuous personal example of that honesty to all the C. R. B. men inside the steel ring.

Each time he came to Brussels all of us came in from the provinces and occupied France and gathered about him while he told us the news of the outside world, and how things were going in the New York and London offices. And

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then he would talk to us as a brother in the fraternity and exhort us to forget our difficulties and our irritations and play the game well and honestly for the sake of humanity and the honor of America. After the group talks he would listen to the personal troubles, and advise and help each man in his turn. People sometimes ask me why Hoover has such a strong personal hold on all his helpers. The men of the C. R. B. know why.

The Belgian relief and the American food administration and the later and still continuing American relief of Eastern Europe have been called, sometimes, in an apparently critical attitude, "one man" organizations. If by that is meant that there was one man in each of them who was looked up to with limitless admiration, relied on with absolute confidence, and served with entire devotion by all the other men in them, the attribution is correct. No man in any of these organizations—and Hoover gathered about him the best he could get—but recognized him as the natural leader. He was the "one man," not by virtue of any official or artificial rank but by sheer personal

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superiority in both constructive administrative capacity and effective practical action.

Whenever Hoover came, he tried to keep his presence unknown except to us and Minister Whitlock and the heads of the Belgian organization and the German Government with whom he had to deal. He would not go, if he could help it, to the soup lines and children's canteens. Like many another man of great strength, he is a man of great sensitiveness. He cannot see suffering without suffering himself. And he dislikes thanks. The Belgians were often puzzled, sometimes hurt, by his avoidance of their heart-felt expression of gratitude. Mr. Whitlock was always there and had to be always accessible. So they could thank him and thank America through him. But they rarely had opportunity to thank Hoover.

I remember, though, how their ingenuity baffled him once. He had slipped in quietly, as usual, at dusk one evening by our courier automobile from the Dutch border. But someone passed the word around that night. And all the next day, and for the remaining few

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days of his stay there went on a silent greeting and thanking of the Commission's chief by thousands and thousands of visiting cards and messages that drifted like snowflakes through the door of the Director's house; engraved cards with warm words of thanks from the nobility and wealthy of Brussels; plainer, printed ones from the middle class folk, and bits of writing paper with pen or pencil-scrawled sentences on them of gratitude and blessing from the "little people." My wife would heap the day's bringing on a table before him each evening and he would finger them over curiously—and try to smile.

When the Armistice had come the Belgian Government tried to thank him. He would accept no decorations. But once again Belgian ingenuity conquered. One day just after the cessation of the fighting he was visiting the King and Queen at La Panne in their simple cottage in that little bit of Belgium that the Germans never reached. After luncheon the members of the Cabinet appeared; they had come by motors from Le Havre. And before them all the King created a new order, without

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ribbon or button or medal, and made Hoover its only member. He was simply but solemnly ordained "Citizen of the Belgian Nation, and Friend of the Belgian People."

I have spoken only of Belgium. But of the ten million in the occupied regions for whom Hoover waged his fight against starvation, two and a half million were in occupied France. Over in that territory things were harder both for natives and Americans than in Belgium. Under the rigorous control of a brutal and suspicious operating army both French and Americans worked under the most difficult conditions that could be imposed and yet allow the relief to go on at all.

The French population, too, was an especially helpless one, for all the men of military age and qualifications had gone out as the Germans came in. They had time and opportunity to do this; the Belgians had not. Each American was under the special care—and eyes—of a German escort officer. He could only move with him at his side, could only talk to the French committees with his gray-uniformed companion in hearing. He had his meals at

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the same table, slept in his quarters. The chief representative of the Commission in occupied France had to live at the Great German Headquarters at Charleville on the Meuse. I spent an extraordinary four months there. It is all a dream now but it was, at the time, a reality which no imagination could equal. The Kaiser on his frequent visits, the gray-headed chiefs of the terrible great German military machine, the *schneidige* younger officers, were all so confident and insolent and so regardless, in those early days of success, of however much of the world might be against them. One night my officer said at dinner: "Portugal came in today. Will it be the United States tomorrow? Well, come on; it's all the same to us." When the United States did come in we Americans were no longer at Headquarters, so what my officer said then I do not know. But I am sure that it was not all the same to him.

And so the untellable relief of Belgium and Northeast France went on with its myriad of heart-breaks and heart-thrills following quickly on each other's heels, its highly elaborated system of organization, its successful ma-

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achinery of control and distribution, and all, all centering and depending primarily on one man's vision and heart and genius. He had faithful helpers, capable coadjutors. One cannot make comparisons among them, but one of these lieutenants was so long in the work, so effective, so devoted, so regardless of personal sacrifice of means and career and health, that we can mention his name without hesitation as the one to whom, next to the Chief, the men of the C. R. B. and the people of Belgium and France turned, and never in vain, for the inspiration that never let hope die. This is William Babcock Poland, like his chief an engineer of world-wide experience, who served first as assistant director in Belgium, then as director there, and, finally, after Hoover came to America to be its food administrator, director, with headquarters in London, for all the work in Europe.

In April, 1917, America entered the war, and Minister Whitlock came out of Belgium with his shepherded flock of American consuls and relief workers, although a small group of C. R. B. men, with the director, Prentis Gray,

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remained inside for several weeks longer. In the same month Herbert Hoover heard his next call to war service. For almost immediately after our entrance into the war President Wilson asked him to come to Washington to consult about the food situation. This consultation was the beginning of American food administration. It did not end Belgian relief for Hoover, for the work had still to go on and did go on through all the rest of the war and even for several months of the Armistice period, with the C. R. B. and its Chief still in charge, although Dutch and Spanish neutrals replaced the Americans inside the occupied territory. But the new call was to place a new duty and responsibility on Hoover's broad shoulders. Responding to it, he arrived in New York on the morning of May 3, 1917, and reached Washington the evening of the same day. On the following day he talked with the President and began planning for the administration of American food.

## CHAPTER X

### AMERICAN FOOD ADMINISTRATION: PRINCIPLES, CONSERVATION, CONTROL OF EXPORTS

PUT yourself in Hoover's place when the President called him back from the Belgian relief work to be the Food Administrator of the United States. Here were a hundred million people unaccustomed to government interference with their personal affairs, above all of their affairs of stomach and pocketbook, their affairs of personal habit and private business. What would you think of your chance to last long as a new kind of government official, set up in defiance of all American precedent and tradition of personal liberty, to say how much and what kinds of food the people were to eat and how the business affairs of all millers and bakers, all commission men and wholesale grocers and all food manufacturers were to be run?

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The stomach and private business of Americans are the seats of unusually many and delicate nerve-endings. To hit the American household in the stomach and the American business man in the pocketbook is to invite a prompt, violent and painful reaction. Yet this is what President Wilson asked Hoover to do and to face.

Hoover realized the full possibilities of the situation. He had seen the rapid succession of the food dictators in each of the European countries; their average duration of life—as food dictators—was a little less than six months. “I don’t want to be food dictator for the American people,” he said, plaintively, a few days after the President had announced what he wanted him to do. “The man who accepts such a job will lie on the barbed wire of the first line of intrenchments.”

But besides trying to put yourself in Hoover’s place, try also to put yourself again in your own place in those great days of America’s first entry into the war, and you will get another, and a less terrifying, view of the situation. Remember your feelings of those

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days as a per-fervid patriotic American, not only ready but eager to play your part in your country's cause. Some of you could carry arms; some could lend sons to the khaki ranks and daughters to the Red Cross uniform. Some could go to Washington for a dollar a year. Yet many could, for one sufficient reason or another, do none of these things. But all could help dig trenches at home right through the kitchen and dining-room. You could help save food if food was to help win the war. You could help remodel temporarily the whole food business and food use of the country to the great advantage of America and the Allies in their struggle for victory.

Well, Hoover put himself both in your place and in his own place. And he thought that the food of America could be administered—not dictated—successfully, if we would try to do it in a way consonant with the genius of American people. Hoover had had in his Belgian relief work an experience with the heart of America. He knew he could rely on it. He also believed he could rely on the brain of America.

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So he put the matter of food control fairly and squarely up to the people. He asked them to make the fundamental decisions. He showed them the need and the way to meet it, and asked them to follow him. He depended on the reasoned mass consent and action of the nation, the truly democratic decision of the country on a question put openly and clearly before it. It could choose to do or not do. The deciding was really with it. If it saw as he did it would act with him.

He was to be no food dictator, as the German food-minister was, nor even a food controller as the English food-minister was officially named. He was to be a food administrator for the people, in response to its needs and desire for making wise food management help in winning the war. So while the food controllers of the European countries relied chiefly on government regulation to effect the necessary food conservation and control, the American food administrator trusted chiefly to direct appeal to the people and their voluntary response.

And the response came. Even where

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governmental regulation seemed necessary, as it did especially in relation to trade and manufacturing practices, he attempted to have it accepted by voluntary agreement of the groups most immediately concerned before announcing or enforcing it. To do this he held conference after conference in Washington with groups of from a score to several hundreds of men representing personally, and in addition sometimes by appointment from organized food-trade or food-producing groups, the point of view of those most affected by the proposed regulation. He explained to these men the needs of the nation, and their special opportunities and duties to serve these needs. He put their self-interest and the interests of their country side by side in front of them. He showed them that the decision of the war did not rest alone with the men in the trenches: that there were service and sacrifice to render at home in shops and stores and counting rooms as well as on the fighting lines. He debated methods and probable results with them. He laid all his cards on the table and, almost always, he won. He won

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their confidence in his fairness, their admiration for his knowledge and resourcefulness and their respect for his devotion to the national cause.

But he knew always that he was playing with dynamite. He could not see or talk to everybody at once, and the news that ran swiftly over the country about what the Food Administration was doing or going to do was not always the truth, but it always got listened to. And the first reaction to it was likely to be one of indignant opposition. This was well expressed by the cartoon of black Matilda in the kitchen: "Mistah Hoover goin' to show me how to cook cawn pone? Well, I reckin not." So with the business man. But the second reaction, the one that came after listening to Hoover and thinking about the matter overnight, was different.

I remember a group of large buyers and sellers of grain, men who dealt on the grain exchanges of the Middle West, who came to Washington, not at his request but on their own determination to have it out with this man who was threatening to interfere seriously with

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their affairs; indeed, who threatened to put many of them out of business for the period of the war. They came with big sticks. They met in the morning for conference with the object of their wrath. Then they went off and met in the afternoon together. They came the next morning for another conference. And they met again alone to pass some resolutions. The resolutions commended the Food Administrator for the regulations he was about to put into force, and recommended that they be made more drastic than he had originally suggested!

But among the hundred million people of the United States there were some who did not justify Hoover's belief in American patriotism and American heart. Just as there were some among the seven million Belgians who tried to cheat their benefactors and their countrymen by forging extra ration cards. So when a measure to regulate some great food trade or industry, as the wholesale grocery business or milling, was agreed to and honestly lived up to by eighty-five or ninety per cent of the men concerned, and for these could have been left on a wholly voluntary basis, there were a few

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for whom the regulations had to be legally formulated and energetically enforced. They were the ones who made the reluctant gifts to the American Red Cross, which was the Food Administrator's favorite form of penalization, when he did not have to go to the extreme of putting persistent profiteers out of business.

The Food Control Law, passed by Congress in August, 1917, under which the Food Administrator, acting for the President, derived his authority, was a perfectly real law, but it left great gaps in the control. For example, it exempted from its license regulations, which were the chief means of direct legal control, all food producers (farmers, stock-growers, et al.) and all retailers doing a business of less than \$100,000 a year. It did not give any authority for a direct fixing of maximum prices. It carried comparatively few penalty provisions. But it did provide authority for three primary agencies of control: First, the licensing of all food manufacturers, jobbers, and wholesalers, and of retailers doing business of more than \$100,000 annually, with the prescription of regulations which the licensees should observe;

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second, the purchase and sale of foodstuffs by the Government; and, third, the legal entering into agreements with food producers, manufacturers or distributors, which if made only between the members of these groups themselves would have been violations of the anti-trust laws. All of these powers contributed their share to the success of what was one of the most important features of the food control and one to which Hoover devoted most determined and continuous effort, namely, the radical cutting out, or at least, down, of speculative and middleman profits. But with the limited authority of the Food Administrator it was only through the voluntary coöperation of the people and food trades that these three kinds of powers were made really effective.

The most conspicuous features of the voluntary coöperation which Hoover was able to obtain from the people and the food-trades by his conferences, his organization of the states, and his great popular propaganda, were those connected with what was called "food conservation," by which was meant a general economy in food use, an elimination of waste, and

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an actual temporary modification of national food habits by an increased use of fish and vegetable proteins and fats and lessened use of meat and animal fats, a considerable substitution of corn and other grains for wheat, and the general use of a wheat flour containing in it much more of the total substance of the wheat grain than is contained in the usual "patent" flour.

It was with the great campaign for food conservation, too, that the Food Administration really started its work, beginning it as voluntary and unofficial war service. For although consideration of the Food Control Act began before the House Committee on Agriculture about April 21, it was not until August 10 that the bill became a law. On the same day, the President issued an Executive Order establishing a United States Food Administration and appointing Herbert Hoover to be United States Food Administrator. Hoover accepted the appointment with the proviso that he should receive no salary and that he should be allowed to build up a staff on the same volunteer basis.

But long before this, indeed immediately

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after the May consultation with Hoover for which he had been asked to come from Europe to Washington, President Wilson had announced a tentative program of stimulation of food production and conservation of food supply. The need was urgent, and the country could not wait for Congressional action. There was really a war on and there was an imperative need of fighting, and fighting immediately and hard in all the various and unusual ways in which modern war is fought. One of these ways which the President recognized and which Hoover, by virtue of his illuminating experience in Europe, knew as no other American did, was the food way. The President wanted something started. So again, just as at the beginning of the Belgian relief work in October, 1914, Hoover found himself in the position of being asked to begin work without the necessary support behind him; in the Belgian case he lacked money, in the present case he lacked authority. But in both cases action was needed at once and in both cases Hoover got action. He is a devotee of action.

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Thus, before there was an official food administration there was an unofficial beginning of what became the food administration's most characteristic and most widely known undertaking, its campaign for food conservation. It was the most characteristic, for it depended for success entirely on popular consent and patriotic response. It was the most widely known, for it touched every home and housewife, every man and child at the daily sitting down at table. In planning and beginning it Hoover had the special assistance of his old-time college chum and lifelong friend, President Ray Lyman Wilbur, of Stanford University, who brought to this particular undertaking a far-reaching vision, a convinced belief in democratic possibilities, and a constructive mind of unusual order.

It is well not to forget that the first appeal for food-saving was made primarily to the women of the land. And theirs was the first great response. From the very first days, in May, of general discussion in the press of the certain need of food-saving in America if the Allies were to be provided with sufficient sup-

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plies to maintain their armies and civilian populations in the health, strength, and confidence necessary to the fullest development of their war strength, the voluntary offers of assistance from women and women's organizations, and inquiries about how best to give it, had been pouring into Hoover's temporary offices in Washington. And through all of the Food Administration work the women of America played a conspicuous part, both as heads of divisions in the Washington and State offices and as uncounted official and unofficial helpers in county and town organizations and in the households of the country.

The picturesque details of the great campaign for food conservation and its results on the intimate habits of the people are too fresh in the memories of us all to need repeating here. A whole-hearted coöperation by the press of the country; an avalanche of public appeal and advice by placards, posters, motion pictures, and speakers; an active support by churches, fraternal organizations, colleges and schools; the remodeling of the service of hotels, restaurants and dining-cars; and a pledging of

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twelve out of the twenty million households of the country to follow the requests and suggestions of the Food Administration, resulting in wheatless and meatless meals, limited sugar and butter, the "clean plate," and strict attention to reducing all household waste of food—all these are the well-remembered happenings of yesterday. The results gave the answer, Yes, to Hoover's oft-repeated questions to the nation: Can we not do as a democracy what Germany is doing as an autocracy? Can we not do it better?

These results are impossible to measure by mere statistics. Figures cannot express the satisfied consciences, the education in wise and economical food use, and the feeling of a daily participation by all of the people in personally helping to win the war, which was a psychological contribution of great importance to the Government's efforts to put the whole strength of the nation into the struggle. Nor can the results to the Allies be measured in figures. But their significance can be suggested by the contents of a cablegram which Lord Rhondda, the English Food Controller,

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sent to Hoover in January, 1918. This cable, in part, was as follows:

“Unless you are able to send the Allies at least 75,000,000 bushels of wheat over and above what you have exported up to January first, and in addition to the total exportable surplus from Canada, I cannot take the responsibility of assuring our people that there will be food enough to win the war. Imperative necessity compels me to cable you in this blunt way. No one knows better than I that the American people, regardless of national and individual sacrifice, have so far refused nothing that is needed for the war, but it now lies with America to decide whether or not the Allies in Europe shall have enough bread to hold out until the United States is able to throw its force into the field. . . .”

I remember very well the thrill and the shock that ran through the Food Administration staff when that cable came. It seemed as if no more could be done than was already being done. The breathless question was: Could Hoover do the impossible? I suppose his question to himself was: Could the American

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people do it? He did not hesitate either in his belief or his action. His prompt reply was:

“We will export every grain that the American people save from their normal consumption. We believe our people will not fail to meet the emergency.”

He then appealed to the people to intensify their conservation of wheat. The President issued a special proclamation to the same end. The wheat was saved and sent—and the threatened breakdown of the Allied war effort was averted.

Hoover felt justified in July, 1918, in making an attempt to indicate the results of food conservation during the preceding twelve months by analyzing the statistics of food exports he had been able to make to the Allies. It was, of course, primarily for the sake of providing this indispensable food support to the Allies that food conservation was so earnestly pushed. The control of these exports and the elimination of speculative profits and the stabilization of prices in connection with home purchases were the special features in the gen-

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eral program of food administration that were pushed primarily for the sake of our own people.

In a formal report by letter to the President on July 18, 1918, Hoover showed that the exports of meats, fats and dairy products in the past twelve months had been about twice as much as the average for the years just preceding the war, and fifty per cent more than in the year July, 1916—June, 1917. Of cereals and cereal products our shipments to the Allies were a third more than in the year July, 1916—June, 1917.

“It is interesting to note,” writes the Food Administrator, “that since the urgent request of the Allied food controllers early in the year for a further shipment of 75,000,000 bushels from our 1917 wheat than originally planned, we shall have shipped to Europe, or have *en route*, nearly 85,000,000 bushels. At the time of this request our surplus was more than exhausted. The accomplishment of our people in this matter stands out even more clearly if we bear in mind that we had available in the fiscal year 1916-17 from net carry-over and as surplus over our normal consumption about

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200,000,000 bushels of wheat which we were able to export that year without trenching on our home loaf. This last year, however, owing to the large failure of the 1917 wheat crop, we had available from net carry-over and production and imports only just about our normal consumption. Therefore our wheat shipments to allied destinations represent approximately savings from our own wheat bread.

“These figures, however, do not fully convey the volume of the effort and sacrifice made during the past year by the whole American people. Despite the magnificent effort of our agricultural population in planting a much increased acreage in 1917, not only was there a very large failure in wheat but also, the corn failed to mature properly and our corn is our dominant crop. We calculate that the total nutritional production of the country for the fiscal year just closed was between seven per cent and nine per cent below the average of the three previous years, our nutritional surplus for export in those years being about the same amount as the shrinkage last year. Therefore the consumption and waste of food have been greatly reduced in every direction during the war.

“I am sure that all the millions of our people, agricultural as well as urban, who have

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contributed to these results should feel a very definite satisfaction that in a year of universal food shortages in the northern hemisphere all of those people joined together against Germany have come through into sight of the coming harvest not only with health and strength fully maintained, but with only temporary periods of hardship. The European allies have been compelled to sacrifice more than our own people but we have not failed to load every steamer since the delays of the storm months last winter. Our contributions to this end could not have been accomplished without effort and sacrifice, and it is a matter for further satisfaction that it has been accomplished voluntarily and individually. It is difficult to distinguish between various sections of our people—the homes, public-eating places, food trades, urban or agricultural populations—in assessing credit for these results; but no one will deny the dominant part played by the American women."

The conservation part of the Food Administration's work was picturesque, conspicuous and important. But it was, of course, only one among the many of the Administration's activities. On the day of his appointment

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Hoover outlined his conception of the functions and aims of the Food Administration, as follows:

“The hopes of the Food Administration are three-fold. First, to so guide the trade in the fundamental food commodities as to eliminate vicious speculation, extortion and wasteful practices and to stabilize prices in the essential staples. Second, to guard our exports so that against the world’s shortage, we retain sufficient supplies for our own people and to co-operate with the Allies to prevent inflation in prices. And, third, that we stimulate in every manner within our power the saving of our food in order that we may increase exports to our Allies to a point which will enable them to properly provision their armies and to feed their peoples during the coming winter.

“The Food Administration is called into being to stabilize and not to disturb conditions and to defend honest enterprise against illegitimate competition. It has been devised to correct the abnormalities and abuses that have crept into trade by reason of the world dis-

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turbance and to restore business as far as may be to a reasonable basis.

“The business men of this country, I am convinced, as a result of hundreds of conferences with representatives of the great forces of food supply, realize their own patriotic obligation and the solemnity of the situation, and will fairly and generously coöperate in meeting the national emergency. I do not believe that drastic force need be applied to maintain economic distribution and sane use of supplies by the great majority of American people, and I have learned a deep and abiding faith in the intelligence of the average American business man whose aid we anticipate and depend on to remedy the evils developed by the war which he admits and deplores as deeply as ourselves. But if there be those who expect to exploit this hour of sacrifice, if there are men or organizations scheming to increase the trials of this country, we shall not hesitate to apply to the full the drastic, coercive powers that Congress has conferred upon us in this instrument.”

From the beginning of the war the food necessities of the Allies and European neutrals

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had led them to make the most violent exertions to meet their needs, and these exertions were intensified as the war went on. Food was war material. It existed in America and was imperatively demanded in Europe. By any means possible, without regard to price or dangerous drainage away from us Europe meant to have it. Hoover early saw the danger to America in this. Things had to be balanced. We were ready to exert every effort to supply the Allies every pound of food we could afford to let go out of the country, but there was a limit, a danger-line. Hoover could not trust to appeal to the European countries to regard this danger; they were in a state of panic. It required recourse to legal regulation. There was necessary an effective control of exports. Without such control the tremendous pressure of demand from the European countries, with the sky-rocketing of prices incident to it would have broken down the whole fabric of Hoover's measures for guarding the food needs of our own people and of stabilizing prices and preventing an actual food panic and consequent industrial break-down in our country at

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a moment when we were calling on our industries and our people as a whole for their greatest efforts.

The Food Law alone was not sufficient to give Hoover the strength he needed for this control. But casting about for assistance he formed a close working alliance between the Food Administration and the War Trade and Shipping Boards to effect the needed regulation. The combination had the power to establish an absolutely effective control of exports and imports. Not a pound of food could be sent out of the country without the consent of the Food Administration.

Growing out of this export control and really including it, was the wider function of the centralization and coördination of purchases not only for the Allies and Neutrals but in connection with the buying agencies of our Army, Navy, Red Cross, and other large philanthropic organizations. Under the pressure of the need for food control, the foreign governments had taken over almost completely, early in the war, the purchases of outside food-stuffs for their peoples, and the Allies had so

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closely associated themselves in this undertaking that they had it in their power, if they cared to use it, to dominate prices to the American farmer. Hoover very early saw the advisability of an American centralization of the purchases for foreign export as an offset to this danger. He further recognized in such a co-ordinating centralization the possibilities of much good in the stimulation of production and stabilization of home prices. A Division of Coördination of Purchase was therefore formally set up about November 1, 1917, under the efficient direction of F. S. Snyder.

In a memorandum dated November 19, the Food Administrator stated that he considered it vital to the general welfare that all large purchases of certain commodities should be made by plans of allocation among food suppliers at fair and just prices, "the efforts of the Federal Trade Commission to be directed to see that costs are not inflated." The memorandum further stated that all allotment plans between Allied countries and the food industries should be entered into with the Allied Provisions Export Commission through the Division of Co-

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ordination of Purchase; and that all estimated and specific requirements of food products of all characters for the Allied countries should be furnished the Division of Coördination of Purchase by the Allied Provisions Export Commission and that such requirements shall bear the approval of the Allied Provisions Export Commission. Also, that on the question of issuing licenses for the exporting of the purchases, the approval to export will be arranged by the Food Administration's Division of Coördination of Purchase, and the War Trade Board; and the final action taken on each requirement shall have the approval of the head of the Division of Coördination of Purchase.

The general plan outlined in this memorandum was the one followed. The Allied Provisions Export Commission acted as the buying agency for the Allies and informed the Division of Coördination of Purchase of the Food Administration of the requirements of the Allies; the Food Purchase Board acted as the recommending buying agency for the Army and Navy and gave the Food Administration the necessary information as to the requirements

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of these agencies. Grains and grain products were not included in this scheme of buying for the Allies, as this buying was done through the Food Administration Grain Corporation.

The Allied purchasing was therefore completely controlled. The license to export was not issued by the War Trade Board until the application for the same had been approved by the Food Administration, and this approval would not be given if the rules of its Division of Coördination of Purchase had not been followed. It should be noted that the Food Administration did not actually complete the transaction of purchase and sale for any of the commodities. Its function was completed when buyer and seller had been brought together and the terms of sale agreed upon and approved by it. The total volume of purchases of all supplies made under the coördination of the various agencies set up by the Food Administration aggregated over seven and a quarter billion dollars during the course of its existence.

## CHAPTER XI

### AMERICAN FOOD ADMINISTRATION; GENERAL REGULATION, CONTROL OF WHEAT AND PORK; ORGANIZATION IN THE STATES

IN attacking the problem of food control by enforced regulation Hoover frankly repeatedly described his position as that of one who was choosing the lesser of two evils; the other and greater one was that of having no regulation at all. Political economists and others called his attention constantly to the fact that the old reliable law of supply and demand would take care of his troubles if he would but let it. If, because of the great demand, high food prices prevailed, their prevalence would automatically solve the problem of food shortage. They would stimulate production and curtail consumption; our people would buy less and there would be more of a surplus to send to the Allies.

Hoover's answer was that unrestricted sky-

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rocketing of prices would certainly curtail consumption, but it would be the consumption by the poor, the hosts of wage-earners and the small-salaried. It would not cut down consumption by the rich, and it would promptly lead to sharp class feeling, widespread popular dissatisfaction and resentment, even revolt. War time was no time to force any such situation as this.

The remedy offered by supply and demand was one which would only bring on another and worse illness. But Hoover realized and declared over and over again that even a necessary interference with the law of supply and demand was at best an evil. But it was less of an evil, under the circumstances, than not to interfere with it to some degree. These were not normal but abnormal times, and regulation by supply and demand is primarily a process for normal times. And it is a process that requires time to do its remedial work, and there was no time.

But Hoover did not and does not believe in price-fixing or immediate government control of commerce where they can be avoided. In

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his statement before the Senate Committee on Agriculture in June, 1917, he said:

“The food administrations of Europe and the powers that they possess are of the nature of dictatorship, but happily ours is not their plight. . . . The tendency there has been for the government to take over the functions of the middleman, first with one commodity and then with another, until in the extreme case of Germany practically all food commodities are taken directly by the government from the producers and allotted by an iron-clad system of ticket distribution to the consumer. The whole of the great distributing agencies, and the financial system which revolved around them, have been suspended for the war or destroyed for good. That is the system which is dictatorship, and which, so far as I can see, this country need never approach.

“In distinction from this, our conception of the problem in the United States is that we should assemble the voluntary effort of the people, of the men who represent the great trades; that we should, in effect, undertake with their coöperation the regulation of the distributing machinery of the country in such a manner that we may restore its function as nearly as may

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be to a pre-war basis, and thus eliminate, so far as may be, the evils and failures which have sprung up. And, at the same time, we propose to mobilize the spirit of self-denial and self-sacrifice in this country in order that we may reduce our national waste and our national expenditure."

The primary basis of the commodity control, that is the control of the manufacture, wholesale selling, storage, and distribution of food-stuffs lay in the licensing provisions of the Food Control law. Any handler of foods, not an immediate producer or a retailer whose gross sales did not exceed \$100,000 a year, could be forced to carry on his business under license, and authority was provided to issue regulations prescribing just, reasonable, non-discriminatory and fair storage charges, commissions, profits, and practices. This license control was the Food Administration's principal means of enforcing provisions against all wasteful, unjust, and unreasonable charges and procedures.

But it was far from easy to determine all at once either what trades and commodities should

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be taken under control or what kind and degree of control should be exercised. As Hoover said to the Senate Committee on Agriculture, using a metaphor springing from his engineering experience:

“It is impossible, in constructing routes and bridges through the forest of speculation and difficulty to describe in advance the route and detail of these roads and bridges which we must push forward from day to day into the unknown.”

And, referring again to the same matter in an address before the United States Chamber of Commerce in September, 1917, he said:

“We shall find as we go on with the war and its increasing economic disruption, that first one commodity then another will need to be taken under control. We shall, however, profit by experience if we lay down no hard and fast rules, but if we deal with each situation on its merits. So long as demand and supply have free play in a commodity we had best leave it alone. Our attention to the break in normal economic control in other commodities

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must be designed to repair the break, not to set up new economic systems or theories."

Hoover believed in making haste slowly. But he had to move. The crisis of the situation was upon us, the dike was already leaking and measures were demanded which would stop the leak before it became a flood. In the exigency there was no time for the Food Administrator to devise and carefully test plans suggested by even the most favored theories of economists, if these plans offered remedies which would only be available in an indeterminate future. The scope of the war had disorganized the life and practices of the whole world, had overthrown all precedents, shattered all fundamental relations. And on nothing was its disturbing influence upon the normal more potent than in relation to food supply.

The means of control by license regulations adopted by the Food Administration were many and various. From the beginning the stocks of manufacturers and dealers were limited, so that a continuous and even distribution might prevent shortage and high prices; con-

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tracts for future delivery were limited again to secure an equal distribution and lessen the possibility of speculative profits from the rising market. Wasteful and expensive practices were forbidden. All these means were capable of rather definite application. But a greater difficulty came in the equally important and necessary work of limiting profits and securing a more direct distribution from manufacturer and large food handler to consumer.

The many regulations and the varying activities necessary to achieve these needs were mostly looked after by a Division of Distribution and certain allied divisions, devoting their attention to special groups of commodities. The principal division was under the immediate direction of Theodore Whitmarsh, one of the most vigorous and able of Hoover's volunteer helpers. Under Hoover's direction Whitmarsh and his associates at the head of the special commodity divisions worked out the manifold details of a regulatory system which was gradually extended to a most varied assortment of foodstuffs, trades and manufactures.

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At the end of 1918 over 250,000 food-handling corporations, firms, and individuals were under Food Administration licenses. Meat, fish, poultry, eggs, butter, milk, potatoes, fresh and dried vegetables, and fruits, canned goods, the coarse grains and rice, vegetable oils, coffee, and such various commodities accessory to food-handling, as ice, ammonia (for ice-making), arsenic (for insecticides), jute bags, sisal, etc., were under direct control to greater or less extent, except when in the hands of the actual producers and the ultimate retailers. And by the indirect means of a wide publicity of "fair prices," and by an influence exerted through the wholesalers, even the retailers were brought into some degree of agreement or control in connection with the Food Administration effort to eliminate unfair dealing and food profiteering.

But more important than the control of any one of these many foods, or perhaps than of all of them together, and more discussed both in Food Administration days and since, was the control of wheat, and, as a part of it, of flour and bread. Some of the methods and

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results of food conservation as especially applied to wheat have already been referred to, but here we are especially concerned with the methods of governmental control as applied to this grain.

Hoover had learned in Belgium, and by his observation of the situation in England and Europe, that the poetic expression that bread is the ~~staff~~ of life becomes endowed with an intense practical significance to the food controllers and the peoples in bread-eating countries suffering from food-shortage. The loudest call of hungry people, their primary anxiety and the first care of the food-controlling authorities all converge on wheat. The dietetic régime for a semi-starving people is strong or weak, appeasing or dangerous, in proportion to the bread it contains. If the bread ration is normal or sufficient much repression can be used in the case of other foods. With bread there is life. The call of the Allies on America was for wheat above all else. More than one half of the normal dietary of France is composed of wheat bread. England normally uses less bread and more meat, but in the war time

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she found she could lessen meat supply more safely than bread supply. It was for the possible lack of 75,000,000 bushels of wheat that Lord Rhondda saw the defeat of the Allies staring him in the face.

The government control of the American wheat as contrasted with its voluntary conservation, took many forms, touching it as grain, as flour, and as bread, as object of special stimulation for production, as prior commodity for transportation, and as export product. But curiously, that feature of its control for which the Food Administration has been most subject to ill-considered criticism is one for which the Food Administration has the least responsibility; this is the government-established "fair price" to the grower.

The Food Control Law as passed by Congress in August, 1917, contained a provision, guaranteeing a price of two dollars a bushel for the 1918 wheat crop. It was put in to stimulate production to insure the needed supply for the war period. And it was intended to benefit the farmer. On the basis of this the Government would presumably be able, by

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proper regulation of the food handlers and commercial practices intermediate between the producer and consumer, both to assure the farmers of a good price and the consumer of not being driven to panic and revolt by an impossible cost of his daily bread. That such a regulation was absolutely and immediately necessary was obvious from the fact that at the very time the Food Administration was being organized unofficially along the lines of conservation propaganda in May, 1917, wheat was selling in Chicago at \$3.25 a bushel and the consumer was paying for his bread on that basis, although the official estimate of the Department of Agriculture of the average price actually received by the farmer for his crop was but \$1.44 a bushel.

Congress had provided a government guarantee only for the 1918 crop. At the time of the organization of the Food Administration the 1917 crop was on the point of coming to market. It seemed highly desirable for the sake of the farmers to insure their receipt of a fair price for this crop, also. Therefore the President appointed a committee composed of

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representatives of leading farmers' and consumers' organizations together with a number of agricultural experts from the agricultural colleges of the country under the chairmanship of President H. H. Garfield of Williams College, later U. S. Fuel Administrator, to fix on a "fair price" for the 1917 crop. The Food Administrator, as publicly announced by President Wilson at the time, took "no part in the deliberations of the committee" nor "in any way intimated an opinion regarding that price."

The Committee in view of the fact that the price for 1918 wheat was already guaranteed at \$2.00—it was later increased by the President to \$2.26—and that any smaller price would undoubtedly lead to a considerable holding over of 1917 wheat for sale at the 1918 price and that a higher price would have been dangerously unfair to the consumers, especially the great body of working men, recommended a "fair price" of \$2.20 a bushel for 1917 wheat. It was a price a little higher than that guaranteed by England to its farmers, about the same as that

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adopted by Germany, and a little less than that guaranteed by France, so desperate that she was ready to pay anything for production, and was already forestalling the complaint of consumers by subsidizing the bread. The President adopted the price as recommended to him by the Committee, but there was no Congressional guarantee to back it up. So, with the fair price thus determined by an independent commission, the Food Administrator proceeded with plans for holding the price of wheat at this level and reflecting it to the farmer. The principal steps taken to effect this were:

First, the creation of a government corporation (the U. S. Grain Corporation) which, acting under the provision of the Food Control Law authorizing the government to buy and sell foodstuffs, could deal in wheat and exert its influence in the maintenance of the fair price by acting as a dominant commercial agency for the buying, selling, and distribution of wheat.

Second, the licensing of all store handlers and millers of wheat and controlling them both through voluntary agreements and license regulations.

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Third, the prohibition of trading in futures.

As an illustration of the results quickly obtained by these measures we may note that while the farmer was getting in the year just before the war about 27 per cent of the cost of each loaf of bread for the wheat in it, to which the miller added about  $6\frac{1}{2}$  per cent and the middlemen and bakers the remaining  $66\frac{1}{2}$  per cent, and in 1915, after the war began, the respective proportions were 30 per cent, 11 per cent, and 59 per cent, in 1918, after the Food Administrator's control was in force, the farmer got 40 per cent, the miller 3 per cent, and the others 57 per cent. Or, as another illustration, while in 1917, when there was no food control the difference between the price of the farmers' wheat and the flour made from it was \$11.00 per barrel this margin during Food Administration days was about \$3.50.

An enumeration of the many and ingenious measures adopted by Hoover and Julius Barnes, the self-sacrificing and highly efficient head of the Grain Corporation, to acquit themselves and the Government with fairness to all interests of the tremendous responsibility and

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undertaking thus imposed on them would carry us beyond the limits of our space. These controllers of the American wheat had in their hands the fate of nations. The Allies had to be supplied; and the American farmers had to be stimulated to top effort; and the American consumers, which means the whole people, had to be kept uninjured in working efficiency and undismayed by possibility of food panic which would result from prohibitive prices, or actual shortage. If the war was to be won there simply had to be wheat enough for all, America and Allies alike, and it had to be available both as regards distribution and price.

The results of the American wheat control can be summed up in one word: success. The unwearying labors and undiminished devotion necessary to achieve this success in face of great difficulties and much criticism cannot be so readily summed up. But without them the history of the war would have been a different history. We should never forget this. In the records of the methods and results of the control lies the matter, all ready for the competent

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pen, for an epic of the wheat, the fit third part of the trilogy that Frank Norris began with "The Octopus" and "The Pit" and had, at the call of death, to leave unwritten.

Another phase of Hoover's food regulatory activity, concerning which there was, and still continues to be, much discussion, is that of his attempt to insure a stimulated production of hogs by a stabilized price which should well reward the grower and yet not lead to such an exorbitant cost to the consumer as would have been a dangerous hardship to our own people and an unfair hold-up of our associates in the war. Next to wheat, pork products were the American food supplies most necessary to the Allies.

Hogs are a corn product. The cost of production of hogs depends rather more upon the price of corn than upon any other factor. Investigation showed that owing to the violent fluctuations in demand for corn and hogs during the war, there had been five periods between the beginning of the war and September, 1917, in which it had been more profitable to sell corn than to feed it to swine at the price of hogs then

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prevailing, while there were only three periods when the reverse was true. In the preceding eight years there had been only two periods in which the direct sale of corn was more profitable than feeding it to swine.

The results of these periods of unprofitable feeding was to retard hog production, as the grower was discouraged from breeding during those periods. Hoover therefore decided that the maintenance of a proper relation between the price of corn and the price of hogs was the best method of assuring an increased production of pork. Furthermore, the violent fluctuations in the price of hogs tended to lift the price of the pork products to the consumer unduly, for at every new rise the stocks already in the warehouses over the whole country were marked up and the spread between the consumer and the producer thereby increased. A stabilization of the price of hogs was therefore as necessary for the protection of the consumer for the sake of a reduction of this spread as it was in the case of other foodstuffs.

In order that the swine growers should have an opportunity to participate in the determina-

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tion of what method would be most fair and effective in establishing this stabilization and stimulating production, a committee of leading producers was asked to investigate the whole matter. This committee made a report late in October, 1917, which, after setting out the situation in detail and calling attention to the imperative need of a stimulation of production, declared that although hog production for the ten years ending 1916 had been maintained on a ratio of 11.66 bushels of corn to 100 pounds of hog, there had been but little profit to the grower on this basis and that it would be desirable for the sake of stimulation to pay at least the equivalent of 13.33 bushels of corn per hundred pounds of average hog and, if possible, as much as 14.33 pounds. On this latter ratio the committee believed that production could be increased fifteen per cent above the normal. The Committee added an expression of its belief that "the best emergency method of immediately stabilizing the market and preventing the premature marketing of light unfinished pigs and breeding stock would be to establish a minimum emergency price for

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good to select hogs of sixteen dollars a hundred pounds on the Chicago market."

As the Food Administrator had no power to fix prices by law, nor to guarantee a price for the producer backed by money in the U. S. Treasury as in the case of the wheat guarantee, the only means available to him to assure a stable minimum price for hogs was to come to an agreement with the principal buyers both of hogs and the prepared pork products that they would pay a price which would make this minimum possible. This was accomplished by Hoover, with the approval of the President, in the following way: The Allies agreed with the United States that their purchases of food supplies would be made through the Food Administration (as already explained earlier in this book). They then agreed with the Food Administrator that their orders for pork and pork products might be placed with the packers at prices which would enable the packers to buy the hogs offered them at not less than the minimum price agreed to between the Food Administrator and the producers. The orders for our Army and Navy, and for other large

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buyers, such as the Belgian Relief and Red Cross, were also placed through the Food Administration upon the same price basis. The packers then agreed with the Food Administration that if these orders were placed with them at the stated prices they would pay to the producer the minimum price announced by the Food Administration. The combined orders of these principal buyers called for from thirty to forty per cent of the pork and pork products produced in the United States, and the price paid by them would obviously determine the price for the whole amount.

With this power, derived solely by agreement, and not, as many of the producers seemed to understand, or rather, misunderstand, by governmental authority exercised, as in the case of wheat, to establish a government-backed guarantee, the Food Administrator announced on November 3, 1917, that:

“The prices (of hogs) so far as we can effect them will not go below a minimum of about \$15.50 per hundredweight for the average of the packers’ droves on the Chicago market until further notice. . . . We have had and shall

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have the advice of a board composed of practical hog-growers and experts. That board advises us that the best yardstick to measure the cost of production of hogs is the cost of corn. The board further advises that the ratio of corn price to hog price on the average over a series of years has been about twelve to one (or a little less). In the past when the ratio has gone lower than twelve to one, the stock of hogs in the country has decreased. When it was higher than twelve the hogs have increased. The board has given its judgment that to bring the stock of hogs back to normal under the present conditions the ratio should be about thirteen. Therefore, as to the hogs farrowed next spring, we will try to stabilize the price so that the farmer can count on getting for each one hundred pounds of hog ready for market, thirteen times the average cost per bushel of the corn fed to the hogs. . . . But let there be no misunderstanding of this statement. It is not a guarantee backed by money. It is not a promise by the packers. It is a statement of the intention and policy of the Food Administration which means to do justice to the farmer."

The effect of Hoover's action to accomplish the imperatively needed stimulated production

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of hogs began to appear by the next July and from that time on was very marked, the production reaching an increase over normal of thirty per cent. The price assured to the farmers by the Food Administration was maintained uniformly from November, 1917, to August, 1918. In October, however, a critical situation arose because, by reason of the growing peace talk, a sharp decline in the price of corn occurred and this decline spread fear among the growers that a similar reduction would take place in the price of hogs because of the fixed thirteen to one corn and hog ratio. A rapid marketing of hogs ensued which broke the price.

With the Armistice there was an immediate change of attitude on the part of the Allies who had been trying to build up reserves of pork products to use in times of possible increased difficulty of transportation. They now moved promptly toward a reduction of purchases. This made serious difficulties in maintaining the price to the producers during the months of December, January, and February. But Hoover's original assurance to the

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growers covered these months. It required most vigorous pressure on his part to compel the Allies to live up to their purchasing agreements. But he was finally successful in disposing of the material offered by the growers and thus was able to keep faith with them.

Some criticism of the Food Administration because of this maintenance of prices was voiced by consumers. But two important things must be remembered in this connection. In the first place the stabilized price was established primarily for the sake of stimulating an imperatively needed increased production. In the second place the assurance of the Food Administration given to the growers in November, 1917, that it would do what it could to maintain the price for hogs farrowed in the spring of 1918 covered sales extending to the spring of 1919. No one knew that an armistice would come in November, 1918. The only safe plan was to try to insure a food supply for a reasonably long time in advance. To have broken the agreement with the producers when the armistice came would have caused many of them great, even ruinous losses. Be-

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sides it would have been a plain breach of faith. Hoover would not do it.

In March, 1919, the War Trade Board was no longer willing to continue its export restrictions. It was only by virtue of these that the Food Administration had any control of the situation. They were canceled and from that time on the market was uncontrolled. But by then, the major hog run was disposed of, and the Food Administration had acquitted itself of its obligation to the producers.

This is a long and dry story of pigs and corn and difficulty. But I think it well to tell it, even though it may be dull, because it seems to be so little known. Hoover's situation vis à vis pigs and producers and packers in those strenuous days of threatened collapse of an all-important food supply seems to be too little understood. And this little understanding has resulted in too much unfair criticism. Now let us turn to another story with more humans than hogs in it.

Hoover had said, in May, 1917, within a few days after the President had told him that he wanted him to administer the food

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of America, as a war measure: "I conceive that the essence of all special war administration falls into two phases: first, centralized and single responsibility; second, delegation of this responsibility to decentralized administration."

Then let us recall how soon after that we were all assuming some share in this "decentralized administration." If we had not all become Federal Food Administrators of states, or county, or city, or rural sub-food administrators, or even members of food conservation committees or members of honor ration leagues, we were all at least, household food administrators. We were all administering, in a new light and with a new aim, the food we bought or cooked or ate. Hoover, the centralized and responsible head, had decentralized food administration right down to each one of us.

This decentralization began with an organization of all the states. The general responsibility for this work was vested in a particular division of the Food Administration, directed by John W. Hallowell, a young engineer and business man who revealed a conspicuous capacity in this important position. As early as

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June, inquiry was made of Governors of the states and of other public officials and prominent men concerning desirable men who would be willing to volunteer their services in directing the work of the Food Administration within their state, as their part in the war work of the nation. Early in July as many as had been so far selected came to Washington for a first conference with Hoover, at which plans were made for proceeding with the work within the states immediately upon the passage of the Food Control Act. By August 10 when the Food Administration was formally established, Federal Food Administrators were already selected for about half the states. The rest were soon chosen. Frequent meetings were held in Washington.

At each successive conference with Hoover of these state administrators, who were able men, experienced in business administration or public service, their enthusiasm, their confidence in his leadership, their response to his national ideals, their personal devotion to him, grew. Hoover's relation to them recalled to me, with leapings of the heart, those earlier days in

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Brussels when the eager young men of the C. R. B. used to come rushing in from the provinces to group themselves around him and derive fresh inspiration and determination from their contact with him to see the job through and to see it through cleanly and fearlessly.

These Federal Food Administrators listened to Hoover in Washington as we listened to him in Belgium. He stirred their hearts and satisfied their minds. And they went back to their difficult tasks, with fresh conviction and renewed strength. And their tasks were truly difficult, their voluntarily assumed share of the decentralized administration was a serious one. But they, too, decentralized parts of the administration; they set up the district and county and city administrations. And they and their many helpers were the ones who carried food administration into every market and grocery store and bakery and home. The whole country, all the people, became a part of the United States Food Administration.

And that was what Hoover wanted and intended. For he knew that only the people, all of them working voluntarily together, could

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really administer the food of America, as it had to be administered in the great war emergency that had come to the country.

On the day after the armistice Hoover addressed the Federal Food Administrators, gathered in Washington, for the last time. In this address he outlined his attitude toward the future work of the Food Administration and, even more importantly, toward governmental food control as a policy, in the following words:

“Our work under the Food Control Act has revolved largely around the curtailment of speculation and profiteering. This act will expire at the signing of the peace with Germany, and as it represents a type of legislation only justified under war conditions, I do not expect to see its renewal. It has proved of vital importance under the economic currents and psychology of war. I do not consider it as of such usefulness in the economic currents and psychology of peace. Furthermore, it is my belief that the tendency of all such legislation, except in war, is to an over-degree to strike at the roots of individual initiative. We have secured its execution during the war as to the willing coöperation of ninety-five per cent of

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the trades of the country, but under peace conditions it would degenerate into an harassing blue law.

“The law has well justified itself under war conditions. The investigations of our economic division clearly demonstrate that during the first year of the Food Administration farm prices steadily increased by fifteen per cent to twenty per cent on various computations, while wholesale prices decreased from three per cent to ten per cent, according to the basis of calculation. Thus middlemen’s cost and profits were greatly reduced. This was due to the large suppression of profiteering and speculation and to the more orderly trade practices introduced under the law.

“It is my desire that we should all recognize that we have passed a great milestone in the signing of the armistice; that we must get upon the path of peace; that therefore we should begin at once to relax the regulation and control measures of the Food Administration at every point where they do not open a possibility of profiteering and speculation. This we cannot and will not permit so far as our abilities extend until the last day that we have authority under the law. When we entered upon this work eighteen months ago our trades were rampant with speculation and profiteering. This

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grew mainly from the utterly insensate raids of Europe on our commodities. I look now for a turn of American food trades towards conservative and safe business because in this period that confronts us, with the decreased buying power of our own people, of uncertainty as to the progress of the world's politics, with the Government in control of exports and imports, he would be a foolish man indeed who today started a speculation in food. This is a complete reversal of the commercial atmosphere that existed when war began eighteen months ago, and therefore the major necessity for law in repression of speculative activities is, to my mind, rapidly passing. It is our duty, however, to exert ourselves in every direction so to handle our food during reconstruction as to protect our producers and our consumers and to assure our trade from chaos and panic."

On the same day that this address was made Hoover began the canceling of the Food Administration regulations, and this cancellation continued rapidly through November and December. It had to be done with care to prevent dangerous disorganization, and some continued control was necessary during the winter and spring in order to carry out the agreements of

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price stabilization entered into between the Food Administration and the producers and handlers of certain commodities, as hogs, sugar, rice, and cotton seed and its products. The wheat price guarantee and control especially provided for by Congress and later Presidential proclamation remained vested in the United States Grain Corporation. It will expire on June 30, 1920.

But Hoover could not remain in America to see this demobilization of the Food Administration through personally. Only ten days after the armistice he left for Europe, at the request of the President, to direct the participation of the United States in the imperatively needed relief of the war-ravaged countries of Eastern Europe. Edgar Rickard, who had been Hoover's chief personal assistant through all of the Food Administration work, was appointed by the President as Acting Food Administrator in Hoover's absence.

## CHAPTER XII

### AMERICAN RELIEF ADMINISTRATION

WITH the coming of the armistice victorious America and the Allies found themselves face to face with a terrible situation in Eastern Europe. The liberated peoples of the Baltic states, Poland, Czecho-Slovakia, Jugo-Slavia, and the Near East, were in a dreadful state of starvation and economic wreckage. A great responsibility and pressing duty devolved on America, Great Britain, France, and Italy to act promptly for the relief of these peoples who had become temporarily, by the hazards of war, their wards. But the Allies themselves were in no enviable position to relieve others. Their own troubles were many. It was on America that the major part of this relief work would fall.

No man knew this situation, as far as it could be known before the veil of blockade and mili-

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tary control was lifted from it, better than Hoover. And no man realized more clearly than he the direful consequences that it threatened not only to the peoples of the suffering countries themselves but to the peace and stability of the world, to restore which every effort had now to be exerted. Hoover was not only the man logically indicated to the President of the United States to undertake this saving relief on the part of America, but he was the man whom all of Europe recognized as the source of hope in this critical moment. He came to the gigantic endeavor as the man of the hour.

Hoover naturally made Paris his headquarters, for the Peace Conference was sitting here, and here also were the representatives of the Allies with whom he was to associate himself in the combined effort to save the peoples of Eastern Europe from starvation and help them make a beginning of self-government and economic rehabilitation.

His first steps were directed toward: First, securing coördination with the Allied Governments by setting up a council of the associated governments; second, finding the necessary

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financial support from the United States for making the American contribution to this relief; third, setting up a special organization for the administration of the American food and funds; and, fourth, urging the provision of funds and shipping by the Allied Governments.

The special American organization for assisting in this general European relief was quickly organized under the name of the American Relief Administration, of which Hoover was formally named by the President Director-General, and Congress on the recommendation of the President appropriated, on February 24, 1919, \$100,000,000 as a working fund for the new organization. In addition to this the United States Treasury was already making monthly loans of several million dollars each to Roumania, Serbia, and Czechoslovakia. But while waiting for the Congressional appropriation the work had to be got going, and for this the President contributed \$5,000,000 from his special funds available for extraordinary expenses.

Before actual relief work could be intelli-

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gently begun, however, it was necessary to find out by personal inspection just what the actual food situation in each of the Eastern European countries was, and for that purpose investigating missions were sent out in December, 1918, and January, 1919, to all of the suffering countries.

Hoover had quickly gathered about him, as nucleus of a staff, a number of men already experienced in relief work and food matters who had worked with him in the Belgian relief and the American Food Administration. Others were rapidly added, both civilians of business or technical experience and army officers, detached at his request, especially from the Quartermaster and Service of Supplies corps. From these men he was able to select small groups eager to begin with him the actual work. His own impatience and readiness to make a real start was like that of a race-horse at the starting gate or a runner with his toes on the line awaiting the pistol shot.

The atmosphere of Paris was an irritating one. The men in control were always saying "wait." There were a thousand considerations

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of old-time diplomacy, of present and future political and commercial considerations in their minds. They were conferring with each other and referring back to their governments for instructions and then conferring again. Common sense and necessity were being restrained by political sensitiveness and inertia. In Hoover's mind one thing was perfectly clear. Time was of the essence of his contract. Every day of delay meant more difficulty. The Eastern countries, struggling to find themselves in the chaos of disorganization, waiting for an official determination of their new borders, were already becoming entangled in frontier brawls and quarreling over the control of local sources of food and fuel. Their people were suffering terribly and were clamoring for help. Hoover was there to help; he wanted to begin helping. So he began.

Hoover had already taken the position that the day of hate was passed. With the end of mutual slaughter and destruction came immediately the time for help. It was like that pitiful period after the battle when the bloody field is taken over by the stretcher-bearers, the Red

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Cross nurses, and the tireless surgeons. So Hoover had already clearly in mind that the hand of charity was going to be extended to the sufferers in Hungary and Austria and Germany as well as to the people who were suffering because of the ravages of the armies of these nations. Dr. Alonzo Taylor and I, whom he had sent early in December to Switzerland to get into close touch with the situation in Eastern and Central Europe, listened, for him, in Berne to the pitiful pleas of the representatives of starving Vienna. By January Hoover's missions were installed and at work in Trieste, Belgrade, Vienna, Prague, Budapest, and Warsaw. In February Dr. Taylor and I were reporting the German situation from Berlin.

The attitude of the people in these countries was one of pathetic dependence on American aid and confidence that it would be forthcoming. The name of Hoover was already known all over Europe because of his Belgian work, and the swiftly-spread news that he was in charge of the new relief work acted like magic in restoring hope to these despairing millions.

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When the first food mission to Poland, making its way in the first week of January, 1919, with difficulty and discomfort because of the demoralized transportation conditions, had reached that part of its journey north of Vienna towards Cracow which brought it into Czecho-Slovakia, our train halted at a station gaily decorated with flags and bunting among which the American colors were conspicuous. A band was playing vigorously something that sounded like the Star-Spangled Banner, and a group of top-hatted and frock-coated gentlemen were the front figures in a great crowd that covered the station platform. I was somewhat dismayed by these evident preparations for a reception, for we were not coming to try to help Czecho-Slovakia, but Poland, between which two countries sharp feeling was already developing in connection with the dispute over the Teschen coal fields. I told my interpreter, therefore, to hurry off the train and explain the situation.

He returned with one of the gentlemen of high hat and long coat who said, in broken French: "Well, anyway, you are the food mis-

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sion, aren't you?" I replied, "Yes, but we are going to Warsaw; we are only passing through your country; we can't do anything for you."

"But," he persisted, "you are the Americans, aren't you?"

"Yes, we are the Americans."

"Well, then, it's all right." And he waved an encouraging hand to the band, which responded with increased endeavor, while the crowd cheered and waved the home-made American flags. And we were received and addressed, and given curious things to drink and a little food—we gave them in return some Red Cross prisoner packages we carried along for our own maintenance—and then we were sent on with more cheers and hearty God-speeds.

Delay so plainly meant sharper suffering and more deaths that even before the necessary financial and other arrangements were completed or even well under way, Hoover had made arrangements with the Secretary of War by which vessels carrying 135,000 tons of American food were diverted from French to Mediterranean ports, and with the Grain Cor-

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poration, under authority of the Treasury, by which 145,000 tons were started for northern European ports. Thus by the time arrangements had been made for financing the shipments and for internal transportation and safe control and fair distribution, the food cargoes were already arriving at the nearest available ports. Within a few weeks from the time the first mission arrived in Warsaw and had reported back to Hoover the terrible situation of the Polish people, the relief food was flowing into Poland through Dantzig, the German port for the use of which for this purpose a special article in the terms of the armistice had provided, but which was only most reluctantly and by dint of strong pressure made available to us.

Similarly from Trieste the food trains began moving north while there still remained countless details of arrangement to settle. I was in Vienna when the first train of American relief food came in from the South. The Italians were also attempting to send in some supplies, but so far all the trains which had started north had been blocked at some border point. The

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American train was in charge of two snappy doughboys, a corporal and a private. When it reached the point of blockade the corporal was told that he could go no farther. He asked why, but only got for answer a curt statement that trains were not moving just now. "But this one is," he replied, and called to his private: "Let me have my gun." With revolver in hand he instructed the engineer to pull out. And the train went on. When I asked him in Vienna if he had worried any at the border about the customs and military regulations of the governments concerned which he was disregarding, he answered with a cheerful smile: "Not a worry; Mr. Hoover's representative at Trieste told me to take the train through and it was up to me to take her, wasn't it? These wop kings and generals don't count with me. I'm working for Hoover."

But the whole situation in these southeastern countries because of their utter disorganization and their hopeless embroilment in conflict with each other, was too impossible. Whatever degree of peace the capitals of these countries recognized as the diplomatic status of the mo-

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ment, the frontiers had no illusions. There were trenches out there and machine-guns and bayonets. Men were shooting at each other across the lines. Either the trains or cars of one country would be stopped at the border, or if they got across they did not get back. Some countries had enough cars and locomotives; some did not. If one country had some coal to spare but was starving for lack of the wheat which could be spared by its neighbor, which was freezing, there was no way of making the needed exchange. The money of each country became valueless in the others—and of less and less value in its own land. Everything was going to pieces, including the relief. **It** simply could not go on this way.

Finally, as a result of Hoover's insistence **at** Paris on the terrible danger of delay both **to** the lives of the people and the budding democracy of Europe, the Supreme Economic Council took the drastic measure of temporarily taking over the control of the whole transportation system of Southeastern Europe which was put into Hoover's hands, leaving him to arrange by agreement, as best he could, according to

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his own ideas and opportunities, the other matters of finance, coal, the interchange of native commodities between adjacent countries and the distribution of imported food.

Hoover became, in a word, general economic and life-saving manager for the Eastern European countries. It is from my personal knowledge of his achievements in this extraordinary position during the first eight months after the Armistice that I have declared my belief earlier in this account that it was owing more to Hoover and his work than to any other single influence that utter anarchy and chaos and complete Bolshevik domination in Eastern Europe (west of Russia) were averted. In other words, Hoover not only saved lives, but nations and civilizations by his superhuman efforts. The political results of his work were but incidental to his life-saving activities, but from an historical and international point of view they were even more important.

Before, however, referring to them more specifically, something of the scope and special character of the general European relief and supply work should be briefly explained.

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Altogether, twenty countries received supplies of food and clothing under Hoover's control acting as Director-General of Relief for the Supreme Economic Council. The total amount of these supplies delivered from December 1, 1918, to June 1, 1919, was about three and a quarter million tons, comprising over six hundred shiploads, of a total approximate value of eight hundred million dollars. There were, in addition, on June 1, port stocks of over 100,000 tons ready for internal delivery, and other supplies came later.

4 The twenty countries sharing in the supplies included Belgium and Northern France (through the C. R. B.), the Baltic states of Finland, Estonia, Latvia, and Lithuania, a small part of Russia, Poland, Czecho-Slovakia, Germany, German Austria, Hungary, Roumania, Bulgaria, Greater Servia, Turkey, Armenia, Italy, and the neutrals, Denmark and Holland. By the terms of the Congressional Act appropriating the hundred million dollars for the relief of Eastern Europe, no part of the money could be used for the relief of Germany, Austria, Hungary, Bulgaria, or

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Turkey. But Vienna needed help more quickly and imperatively than any other eastern capital. Hoover arranged that money should be advanced by England and France for food purchases in America for Austria and Hungary. This food was put into Hoover's hands, and to him was left the problem of getting it into the suffering countries. Germany was supplied under the approval of the Allies in accordance with the armistice agreement.

The "relief" of Eastern and Central Europe was, of course, not all charity in the usually accepted meaning of the term. The American hundred million dollars and the British sixty million dollars could not buy the needed eight hundred millions' worth of food and clothing. In fact, of that American hundred million all but about fifteen are now again in the U. S. Treasury in the form of promises to pay signed by various Eastern European Governments. About ten millions of it were given by Hoover outright, in the form of special food for child nutrition, to the under-nourished children from the Baltic to the Black

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Sea. By additions made to this charity by the Eastern European Governments themselves and by the nationals of these countries resident in America, and from other sources, two and a half million weak children are today still being given (May, 1920) a daily supplementary meal of special food.

Hoover's experience in Belgium and Northern France had taught him how necessary was the special care of the children. All the war-ravaged countries have lost a material part of their present generation. In some of them the drainage of human life and strength approaches that of Germany after the Thirty Years War and of France after the Napoleonic wars. If they are not to suffer a racial deterioration the coming generation must be nursed to strength. The children, then, who are the immediately coming generation and the producers of the ones to follow, must be particularly cared for. That is what Hoover gave special attention to from the beginning of his relief work and it is what he is now still giving most of his time and energy to.

For the general re-provisioning of the peo-

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ples of Eastern and Central Europe all of the various countries supplied were called on to pay for the food at cost, plus transportation, to the extent of their possibilities. Gold, if they had it—all of Germany's supply was paid for in gold—paper money at current exchange, government promissory notes, and commodities which could be sold to other countries, made up the payments. The charity was in making loans, providing the food, getting ships and barges and trains and coal for its transportation, selling it at cost, and giving the service of several hundred active, intelligent, and sympathetic Americans, mostly young and khaki-clothed, and a lesser group of Allied officers, all devoted to getting the food where it was needed and seeing that it was fairly distributed.

It is impossible to depict the utter bewilderment and helplessness of the governments of the liberated nations of Eastern Europe at the beginning of the armistice period. Nor is it possible to explain adequately the enormous difficulties they faced in any attempt at organizing, controlling, and caring for their peoples.

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With uncertain boundaries—for the demarcation of these they were waiting on a hardly less bewildered group of eminent gentlemen in Paris; with a financial and economic situation presenting such appalling features of demoralization that they could only be realized one at a time; with their people clamoring for the immediately necessary food, fuel and clothing, and demanding a swift realization of all the benefits that their new freedom was to bring them; and with an ever more menacing whistling wind of terror blowing over them from the East—with all this, how the responsible men of the governments which rapidly succeeded each other in these countries retained any persistent vestiges of sanity is beyond the comprehension of those of us who viewed the scene at close range.

For a single but sufficient illustration let us take the situation in the split apart fragments of the former great Austro-Hungarian Empire, which now constitute all or parts of German Austria, Hungary, Czecho-Slovakia, Jugo-Slavia and Roumania. For all these regions (except Roumania) Vienna had for years

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been the center of political authority and chief economic control. In Vienna were many of the land-owners, most of the heads of the great industries, and the directors of the transportation system. It was the financial and market center, the hub of a vast, intricate, and delicate orb-web of economic organization. But the people and the goods of the various separated regions, except German Austria, the smallest, weakest, and most afflicted one of them all, were cut off from it and all were cut off from each other. The final political boundaries were not yet fixed, to be sure, but actual military frontiers were already established with all their limitations on inter-communication and their disregard of personal needs. Shut up within their frontiers these regions found themselves varyingly with or without money—if they had any it was of ever-decreasing purchasing power—with or without food, fuel, and raw materials for industry; and with lesser or larger numbers of locomotives and railway cars, mostly lesser. But of everything the distribution bore no calculated relation to the needs of the industry and commerce or even to the

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actual necessities of the people for the preservation of health and life.

Vienna, itself, "*die lustige schöne Stadt Wien*," was, as it still is today and for long will be, the saddest great capital in Europe. Reduced from its position of being the governing, spending, and singing and dancing capital of an empire of fifty-five million people—it never was a producing capital—to be the capital of a small, helpless nation of scant seven million people concentrated in a region unable to meet even their needs of food and coal—Vienna represents the pathetic extreme of the cataclysmic results of War.

But if the situation was most complex and hopeless in the south, it was far from simple or hopeful in the north. Poland, the smaller Baltic states and Finland were all in desperate plight and their new governments were all aghast at the magnitude of the problem before them. To add to the difficulties of general disorganization of peoples, lack of the necessities of life, and helplessness of governments, there was ever continuing war. Armistice meant something real on the West and Austro-Ital-

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ian fronts, but it meant little to Eastern Europe. There was a score of very lively little wars going on at once over there: Poland alone was fighting with four different adversaries, one at each corner of her land.

But the climax of the situation was reached in the realization by all immediately concerned that something saving had to be done at **once**, or the whole thing would become literal anarchy, with red and howling death rampant over all. Bolshevik Russia, just over the Eastern borders, was not only a vivid reality to these countries, but it was constantly threatening to come across the borders and engulf them.

Its agents were working continuously among their peoples; there were everywhere the sinister signs of the possibility of a swift removal of the frontiers of Bolshevism from their Eastern to their Western borders. In Paris the eminent statesmen and famous generals of the Peace Conference and the Supreme Council sat and debated. They sent out occasional ultimata ordering the cessation of fighting, the retirement from a far advanced frontier, and what not else. Inter-Allied Economic and

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Military Missions came and looked on and conferred and returned. But nobody stopped fighting, and the conferences settled nothing. The Allies were not in a position—this need be no secret now—to send adequate forces to enforce their ultimata. An Inter-Allied Military Mission of four generals of America, Great Britain, France and Italy started by special train from Cracow to Lemberg to convey personally an ultimatum to the Ruthenians and Poles ordering them to stop fighting. The train was shelled by the Ruthenians east of Przemysyl, and the generals came back. Eastern Europe expected the great powers to do something about this, but nothing happened, and the discount on ultimata became still more marked.

Somebody had to do something that counted. So Hoover did it. It was not only lives that had to be saved; it was nations. It was not only starvation that had to be fought; it was approaching anarchy, it was Bolshevism.

As already stated, Hoover's food ships had left America for Southern and Northern European ports before Hoover's men had even

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got into the countries to be fed. As a consequence, food deliveries closely followed food investigations. That counted with the people. One of Hoover's rules was that food could only go into regions where it could be safeguarded and controlled. That counted against Bolshevism. Shrewd Bela Kun was able to play a winning game in Hungary against the Peace Conference and Supreme Councils at Paris, but he was out-played by soft-voiced, square-jawed Captain "Tommy" Gregory, Hoover's general director for Southeast Europe, and it was this same California lawyer in khaki, turned food man, who, when the communist Kun had passed and the pendulum had swung as dangerously far in the other direction, allowing the audacious Hapsburg, Archduke Joseph, to slip into power, had done most to unseat him.

Gregory had been able to commandeer all the former military wires in the Austro-Hungarian countries for use in the relief work. So he was able to keep Hoover advised of all the news, not only promptly, but in good Americanese. His laconic but fully descriptive mes-

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sage to Paris announcing the Archduke's passing read: "August 24th, Archie went through the hoop at 8 P. M. today."

Relief in Eastern Europe was spelled by Hoover with a capital *R* and several additional letters. It really spelled Rehabilitation. It meant, in addition to sending in food, straightening out transportation, getting coal mines going, and the starting up of direct exchange of commodities among the unevenly supplied countries. There was some surplus wheat in the Banat, some surplus coal in Czecho-Slovakia, some extra locomotives in Vienna. So under the arbitrage of himself and his lieutenants there was set up a wholesale international bartering, a curious reversion to the primitive ways of early human society.

This exchange of needed goods by barter solved in some degree the impossible financial situation, gave the people an incentive to work, and helped reduce political inflammation. It was practical statesmanship meeting things as they were and not as they might more desirably be, but were not. I say again, and many men in the governments of

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Eastern Europe, and even in the councils in Paris<sup>1</sup> have said, that Hoover saved Eastern Europe from anarchy, and held active Bolshevism to its original frontiers. That meant saving Western Europe, too.

Then Hoover came back to America to be an American private citizen again. That is what he is today. He is still carrying on two great charities in Eastern Europe: the daily feeding of millions of under-nourished children, and the making possible, through his American Relief Warehouses, for anyone in America to help any relatives or friends anywhere in Eastern Europe by direct food gifts. But he is doing it as private citizen. The story of Hoover—as far as I can write it today—is that of an American who saw a particular kind of service he could render his country and Eu-

<sup>1</sup> The official representative of the Treasury of one of the Allied powers, who had no reason to be too friendly to the American director of relief, for Hoover had often to oppose the policies of this power in the Paris councils, has recently written of him: "Mr. Hoover was the only man who emerged from the ordeal of Paris with an enhanced reputation. This complex personality, with his habitual air of weary Titan (or, as others might put it, of exhausted prize-fighter), his eyes steadily fixed on the true and essential facts of the European situation, imported into the Councils of Paris, when he took part in them, precisely that atmosphere of reality, knowledge, magnanimity, and disinterestedness, which, if they had been found in other quarters also, would have given us the Good Peace."

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rope and humanity in a great crisis. He rendered it, and thus most truly helped make the world safe for Democracy and human ideals. It would only be fair to add to his Belgian citation the larger one of American Citizen of the World and Friend of All the People. But he would only be embarrassed if anyone attempted to do it now. We can safely leave the matter to History.

## **APPENDICES**



## APPENDIX I

STATEMENT GIVEN TO THE PRESS BY U. S. FOOD  
ADMINISTRATOR HOOVER ON NOVEMBER 12, 1918  
(THE DAY AFTER THE ARMISTICE BEGAN),  
CONCERNING THE RESULTS OF FIFTEEN  
MONTHS OF FOOD ADMINISTRATION

WITH the war effectually over we enter a new economic era, and its immediate effect on prices is difficult to anticipate. The maintenance of the embargo will prevent depletion of our stocks by hungry Europe to any point below our necessities, and anyone who contemplates speculation in food against the needs of these people can well be warned of the prompt action of the government. The prices of some food commodities may increase, but others will decrease, because with liberated shipping accumulated stocks in the Southern hemisphere and the Far East will be available. The demands upon the United States will change in character but not in volume.

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The course of food prices in the United States during the last fifteen months is of interest. In general, for the first twelve months of the Food Administration the prices to the farmer increased, but decreased to the consumer by the elimination of profiteering and speculation. Due to increases in wages, transportation, etc., the prices have been increasing during the last four months.

The currents which affect food prices in the United States are much less controlled than in the other countries at war. The powers of the Food Administration in these matters extend:

First, to the control of profits by manufacturers, wholesalers and dealers, and the control of speculation in foodstuffs. They do not extend to the control of the great majority of retailers, to public eating places, or the farmer, except so far as this can be accomplished on a voluntary basis.

Second, the controlled buying for the Allied civil populations and armies, the neutrals and the American army and navy, dominates the market in certain commodities at all times, and in other commodities part of the time. In these cases it is possible to effect, in coöperation with producers and manufacturers, a certain amount of stability in price. I have never favored attempts to fix maximum prices by law; the uni-

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versal history of these devices in Europe has been that they worked against the true interests of both producer and consumer.

The course of prices during the first year of the Food Administration, that is, practically the period ending July 1, 1918, is clearly shown by the price indexes of the Department of Agriculture and the Department of Labor. Taking 1913 prices as the basis, the average prices of farm produce for the three months ending July 1, 1917, were, according to the Department of Agriculture's price index, 115 per cent more than the average of 1913 prices, and according to the Department of Labor index, it was 91 per cent over 1913 prices. The two departments use somewhat different bases of calculation. The average of farmers' prices one year later—that is, the three months ending July 1, 1918, was, according to the Department of Agriculture indexes, 127 per cent over the 1913 basis and, according to the Department of Labor index, was 114 per cent over the 1913 average. Thus farm prices increased 12 per cent on the Department of Agriculture calculations and 23 per cent upon the Department of Labor basis.

An examination of wholesale prices, that is, of prepared foods, shows a different story: The Department of Agriculture does not

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maintain an index of wholesale prices, but the Department of Labor does, and this index shows a decrease in wholesale prices from 87 per cent over 1913 basis to 79 per cent over the 1913 basis for the three months ending July 1, 1917, and July 1, 1918, respectively. The Food Administration price index of wholesale prices calculated upon still another basis shows a decrease of from 84 per cent to 80 per cent between these periods one year apart.

Thus all indexes show an increase in farmers' prices and a decrease in wholesale prices of food during the year ending July 1, 1918. In other words, a great reduction took place in middlemen's charges, amounting to between 15 per cent and 30 per cent depending upon the basis of calculation adopted. These decreases have come out of the elimination of speculation and profiteering.

The course of retail prices corroborates these results also. Since October, 1917, the Food Administration has had the services of 2,500 weekly, voluntary retail price reporters throughout the United States. These combined reports show that the combined prices per unit of 24 most important foodstuffs were \$6.62 in October, 1917. The same quantities and commodities could be bought for \$6.55 average for the spring quarter, 1918—that is, a

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small drop had taken place. During this same period of quarters ending July 1, 1917, to July 1, 1918, the prices of clothing rose from 74 per cent to 136 per cent over 1913, or a rise of about 62 per cent, according to the Department of Labor indexes.

Since the spring quarter, ending July 1, 1918, there has been a rise in prices, the Department of Agriculture index for September showing that farm price averages were 138 per cent over the 1913 basis, and the Department of Labor index showing 136 per cent, or a rise from the average of the spring quarter this year of 11 per cent and 22 per cent respectively to the farmer. The wholesale price index of the Department of Labor shows a rise from 79 per cent average of the spring quarter, 1918, to 99 per cent for September, or a rise of 20 per cent. The Food Administration wholesale index shows an increase from 80 per cent to 100 per cent, or 20 per cent for the same period.

In October, 1918, the Food Administration retail price reports show that the retail cost of the same quantity of the 24 principal food-stuffs was \$7.58 against an average of \$6.55 for the spring quarter 1918, or a rise of about 18 per cent.

It is obvious enough that prices have risen

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during the last three months both to the farmer and to the wholesaler and retailer. On the other hand, these rising prices have only kept pace with the farmers' prices.

Since the first of July this year, many economic forces have caused a situation adverse to the consumer. There has been a steady increase in wages, a steady increase in cost of the materials which go into food production and manufacture, and in containers and supplies of all kinds. There has been an increase of 25 per cent in freight rates. The rents of the country are increasing and therefore costs of manufacturing, distribution and transportation are steadily increasing and should inevitably affect prices. The public should distinguish between a rise in prices and profiteering, for with increasing prices to the farmer—who is himself paying higher wages and cost—and with higher wages and transport, prices simply must rise. An example of what this may come to can be shown in the matter of flour. The increased cost of transportation from the wheat-producing regions to New York City amounts to about forty cents per barrel. The increased cost of cotton bags during the last fourteen months amounts to thirty cents per barrel of flour. The increase in wholesalers' costs of drayage, rents, etc.,

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amounts to ten cents, or a total of eighty cents without including the increased costs of the miller or retailer.

Such changes do not come under the category of profiteering. They are the necessary changes involved by the economic differences in the situation. We cannot "have our cake and eat it." In other words, we cannot raise wages, railway rates, expand our credits and currency, and hope to maintain the same level of prices of foods. All that the Food Administration can do is to see as far as is humanly possible that these alterations take place without speculation or profiteering, and that such readjustments are conducted in an orderly manner. Even though it were in the power of the Food Administration to repress prices, the effect of maintaining the same price level in the face of such increases in costs of manufacture, transportation and distribution, would be ultimately to curtail production itself. We are in a period of inflation and we cannot avoid the results.

We have had a large measure of voluntary coöperation both from producers, manufacturers and wholesalers, in suppression of profiteering and speculation. There are cases that have required stern measures, and some millions of dollars have been refunded in one way

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or another to the public. The number of firms penalized is proportionately not large to the total firms engaged.

In the matter of voluntary control of retailers we have had more difficulty, but in the publication from week to week in every town in the country of "fair prices" based upon wholesale costs and type of service, there has been a considerable check made upon overcharges. The Food Administration continues through the armistice until legal peace and there will be no relaxation of efforts to keep down profiteering and speculation to the last moment.

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ADDRESS OF MR. HOOVER AT HIS INAUGURATION  
AS PRESIDENT OF THE AMERICAN INSTITUTE OF  
MINING ENGINEERS (NEW YORK CITY,  
FEBRUARY 17, 1920)<sup>1</sup>

I HAVE been greatly honored as your unanimous choice for President of this Institute with which I have been associated during my entire professional life. It is customary for your new President, on these occasions, to make some observation on matters of general interest from the engineer's standpoint.

The profession of engineering in the United States comprises not alone scientific advisers on industry, but is in great majority composed of men in administrative positions. In such positions they stand midway between capital and labor. The character of your training and experience leads you to exact and quantitative thought. This basis of training in a great group of Americans furnished a wonderful recruiting ground for service in these last years

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of tribulation. Many thousands of engineers were called into the army, the navy, and civilian service for the Government. Thousands of high offices were discharged by them with credit to the profession and the nation.

We have in this country probably one hundred thousand professional engineers. The events of the past few years have greatly stirred their interest in national problems. This has taken practical form in the maintenance of joint committees for discussion of these problems and support to a free advisory bureau in Washington. The engineers want nothing for themselves from Congress. They want efficiency in government, and you contribute to the maintenance of this bureau out of sheer idealism. This organization for consideration of national problems has had many subjects before it and I propose to touch on some of them this evening.

Even more than ever before is there necessity for your continued interest in this vast complex of problems that must be met by our Government. We are faced with a new orientation of our country to world problems. We face a Europe still at war; still amid social revolutions; some of its peoples still slacking on production; millions starving; and therefore the safety of its civilization is still hanging

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by a slender thread. Every wind that blows carries to our shores an infection of social diseases from this great ferment; every convulsion there has an economic reaction upon our own people. If we needed further proof of the interdependence of the world, we have it today in the practical blockade of our export market. The world is asking us to ratify long delayed peace in the hope that such confidence will be restored as will enable her to reconstruct her economic life. We are today contemplating maintenance of an enlarged army and navy in preparedness for further upheavals in the world, and failing to provide even some insurance against war by a league to promote peace.

Out of the strain of war, weaknesses have become ever more evident in our administrative organization, in our legislative machinery. Our federal government is still overcentralized, for we have upon the hands of our government enormous industrial activities which have yet to be demobilized. We are swamped with debt and burdened with taxation. Credit is woefully inflated; speculation and waste are rampant. Our own productivity is decreasing. Our industrial population is crying for remedies for the increasing cost of living and aspiring to better conditions of life and labor.

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But beyond all this, great hopes and aspirations are abroad; great moral and social forces have been stimulated by the war and will not be quieted by the ratification of peace. These are but some of the problems with which we must deal. I have no fear that our people will not find solutions. But progress is sometimes like the old-fashioned rail fence—some rails are perhaps misshapen and all look to point the wrong way; but in the end, the fence progresses.

Your committees, jointly with those of other engineering societies, have had before them and expressed their views on many matters concerning the handling of the railways, shipping, the reorganization of the government engineering work, the national budget, and other practical items.

The war nationalization of railways and shipping are our two greatest problems in governmental control awaiting demobilization. There are many fundamental objections to continuation of these experiments in socialism necessitated by the war. They lie chiefly in their destruction of initiative in our people and the dangers of political domination that can grow from governmental operation. Beyond this, the engineers will hold that the successful conduct of great industries is to a transcendent degree dependent upon the personal abilities and

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character of their employees and staff. No scheme of political appointment has ever yet been devised that will replace competition in its selection of ability and character. Both shipping and railways have today the advantage of many skilled persons sifted out in the hard school of competition, and even then the government operation of these enterprises is not proving satisfactory. Therefore, the ultimate inefficiency that would arise from the deadening paralysis of bureaucracy has not yet had full opportunity for development. Already we can show that no government under pressure of ever-present political or sectional interests can properly conduct the risks of extension and improvement, or can be free from local pressure to conduct unwarranted services in industrial enterprise. On the other hand, our people have long since recognized that we cannot turn monopoly over to unrestrained operation for profit nor that the human rights of employees can ever be dominated by dividends.

Our business is handicapped on every side by the failure of our transportation facilities to grow with the country. It is useless to talk about increased production to meet an increased standard of living in an increasing population without a greatly increased transport equip-

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ment. Moreover, there are very great social problems underlying our transport system; to-day their contraction is forcing a congestion of our population around the great cities with all that these overswollen settlements import. Even such great disturbances as the coal strike have a minor root in our inadequate transportation facilities and their responsibility for intermittent operation of the mines.

We are all hoping that Congress will find a solution to this problem that will be an advanced step toward the combined stimulation of the initiative of the owners, the efficiency of operation, the enlistment of the good will of the employees, and the protection of the public. The problem is easy to state. Its solution is almost overwhelming in complexity. It must develop with experience, step by step, toward a real working partnership of its three elements.

The return of the railways to the owners places predominant private operation upon its final trial. If instant energy, courage and large vision in the owners should prove lacking in meeting the immediate situation we shall be faced with a reaction that will drive the country to some other form of control. Energetic enlargement of equipment, better service, co-operation with employees, and the least possible

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advance in rates, together with freedom from political interest, will be the scales upon which the public will weigh these results.

Important phases of our shipping problem that have come before you should receive wider discussion by the country. As the result of war pressure, we shall spend over \$2,800,000,000 in the completion of a fleet of nineteen hundred ships of a total of 111,000,000 tons—nearly one quarter of the world's cargo shipping. We are proud of this great expansion of our marine, and we wish to retain it under the American flag. Our shipping problem has one large point of departure from the railway problem, for there is no element of natural monopoly. Anyone with a water-tight vehicle can enter upon the seas today, and our government is now engaged upon the conduct of a nationalized industry in competition with our own people and all the world besides. While in the railways government inefficiency could be passed on to the consumer, on the seas we will sooner or later find it translated to the national Treasury.

Until the present time, there has been a shortage in the world's shipping, but this is being rapidly overtaken and we shall soon be met with fierce competition of private industry. If the government continues in the shipping

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business, we shall be disappointed from the point of view of profits. For we shall be faced with the ability of private enterprise to make profits from the margins of higher cost of government operation alone. Aside from those losses inherent in bureaucracy and political pressure, there are others special to this case. The largest successfully managed cargo fleet in the world comprises about one hundred and twenty ships and yet we are attempting to manage nineteen hundred ships at the hands of a government bureau. In normal times the question of profit or loss in a ship is measured by a few hundred tons of coal wasted, by a little extravagance in repairs, or by four or five days on a round trip. Beyond this, private shipping has a free hand to set up such give-and-take relationships with merchants all over the world as will provide sufficient cargo for all legs of a voyage, and these arrangements of coöperation cannot be created by government employees without charge or danger of favoritism. Lest fault be found, our government officials are unable to enter upon the detailed higgling in fixing rates required by every cargo and charter. Therefore they must take refuge in rigid regulations and in fixed rates. In result, their competitors underbid by the smallest margins necessary to get the cargoes. The

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effect of our large fleet in the world's markets is thus to hold up rates, for so long as this great fleet in one hand holds a fixed rate others will only barely underbid. If we hold up rates an increasing number of our ships will be idle as the private fleet grows. On the other hand, if we reduce rates we shall be underbid until the government margin of larger operation cost causes us to lose money.

We shall yet be faced with the question of demobilizing a considerable part of this fleet into private hands, or frankly acknowledging that we operate it for other reasons than interest on our investment. In this whole problem there are the most difficult considerations requiring the best business thought in the country. In the first instance, our national progress requires that we retain a large fleet under our flag to protect our national commercial expansion overseas. Secondly, we may find it desirable to hold a considerable government fleet to build up trade routes in expansion of our trade, even at some loss in operation. Thirdly, in order to create this fleet, we have built up an enormous ship-building industry. Fifty per cent of the capacity of our ship yards will more than provide any necessary construction for American account. Therefore there is a need of obtaining foreign orders, or the re-

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duction of capacity, or both. I believe, with most engineers, that, with our skill in repetition manufacture, we can compete with any ship builders in the world and maintain our American wage standards; but this repetition manufacture implies a constant flow of orders. It would seem highly desirable, in order to maintain the most efficient yards until they can establish themselves firmly in the world's industrial fabric, that the Government should continue to let some ship construction contracts to the lowest bidders, these contracts to supplement private building in such a way as to maintain the continuous operation of the most economical yards and the steady employment of our large number of skilled workers engaged therein.

When we consider giving orders for new ships, we must at the same time consider the sale of ships, as we cannot go on increasing this fleet. When we consider sale, we are confronted with the fact that our present ships were built under expensive conditions of war, costing from three to four times per ton the pre-war amount, and that already any merchant, subject to the long time of delivery, can build a ship for seventy-five per cent of their cost. It would at least seem good national policy to sell ships today for the price we can

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contract for delivery a year or two hence, thus making the government a reservoir for continuous construction.

We could thus stabilize building industry to some degree and also bring the American-owned fleet into better balance, if each time that the government sold three or four emergency constructed cargo vessels it gave an order for one ship of a better and faster type. This would make reduction in our ship-building steadier and would give the country the type of ships we need.

Our joint engineering committees have examined with a great deal of care into the organization of and our expenditure on public works and technical services. These committees have consistently and strongly urged the appalling inefficiency in the government organization of these matters. They report to you that the annual expenditure on such works and services now amounts to over \$250,000,000 per annum, and that they are carried out today in nine different governmental departments. They report that there is a great waste by lack of national policy of coördination, in overlapping with different departments, in competition with each other in the purchase of supplies and materials, and in the support of many engineering staffs.

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They recommend the solution that almost every civilized government has long since adopted, that is, the coördination of these measures into one department under which all such undertakings should be conducted and controlled. As a measure practical to our government, they have advocated that all such bureaus should be transferred to the Interior Department, and all the bureaus not relating to those matters should be transferred from the Interior to other departments. The Committee concludes that no properly organized and directed saving in public works can be made until such a re-grouping and consolidation is carried out, and that all of the cheeseparing that normally goes on in the honest effort of Congressional committees to control departmental expenditure is but a tithe of that which could be effected if there were some concentration of administration along the lines long since demonstrated as necessary to the success of private business.

Another matter of government organization to which our engineers have given adhesion is in the matter of the national budget. To minds charged with the primary necessity of advance planning, coördination, provision of synchronizing parts in organization, the whole notion of our hit-or-miss system is repugnant. A bud-

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get system is not the remedy for all administrative ills, but it provides a basis of organization that at least does not paralyze administrative efficiency as our system does today. Through it, the coördination of expenditure in government department, the prevention of waste and overlapping in government bureaus, the exposure of the "pork barrel," and the balancing of the relative importance of different national activities in the allocation of our national income can all be greatly promoted. Legislation would also be expedited. No budget that does not cover all government expenditure is worth enactment. Furthermore, without such reorganization as the grouping of construction departments, the proper formulation of a budget would be hopeless. The budget system in some form is so nearly universal in civilized governments and in completely conducted business enterprise, and has been adopted in thirty of our States, that its absence in our federal government is most extraordinary. It is, however, but a further testimony that it is always a far cry of our citizens from the efficiency in their business to interest in the efficiency of their government.

Another great national problem to which every engineer in the United States is giving earnest thought, and with which he comes in

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daily contact, is that of the relationship of employer and employee in industry. In this, as in many other national problems today, we are faced with a realization that the science of economics has altered from a science of wealth to a science of human relationships to wealth. We have gone on for many years throwing the greatest of our ingenuity and ability into the improvement of processes and tools of production. We have until recently greatly neglected the human factor that is so large an element in our very productivity. The development of vast repetition in the process of industry has deadened the sense of craftsmanship, and the great extension of industry has divorced the employer and his employee from that contact that carried responsibility for the human problem. This neglect of the human factor has accumulated much of the discontent and unrest throughout our great industrial population and has reacted in a decrease of production. Yet our very standards of living are dependent on a maximum productivity up to the total necessities of our population.

Another economic result is, or will be yet, a repercussion upon the fundamental industry of the United States, that is, agriculture. For the farmer will be unable to maintain his production in the face of a constant increase in

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the cost of his supplies and labor through shrinkage in production in other industries. The penalty of this disparity of effort comes mainly out of the farmer's own earnings.

I am daily impressed with the fact that there is but one way out, and that is again to re-establish through organized representation that personal coöperation between employer and employee in production that was a binding force when our industries were smaller of unit and of less specialization. Through this, the sense of craftsmanship and the interest in production can be re-created and the proper establishment of conditions of labor and its participation in a more skilled administration can be worked out. The attitude of refusal to participate in collective bargaining with representatives of the employees' own choosing is the negation of this bridge to better relationship. On the other hand, a complete sense of obligation to bargains entered upon is fundamental to the process itself. The interests of employee and employer are not necessarily antagonistic; they have a great common ground of mutuality and if we could secure emphasis upon these common interests we would greatly mitigate conflict. Our government can stimulate these forces, but the new relationship of employer and employee must be a matter of

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deliberate organization within industry itself. I am convinced that the vast majority of American labor fundamentally wishes to co-operate in production, and that this basis of goodwill can be organized and the vitality of production re-created.

Many of the questions of this industrial relationship involve large engineering problems, as an instance of which I know of no better example than the issue you plan for discussion tomorrow in connection with the soft coal industry. Broadly, here is an industry functioning badly from an engineering and consequently from an economic and human standpoint. Owing to the intermittency of production, seasonal and local, this industry has been equipped to a peak load of twenty-five or thirty per cent over the average load. It has been provided with a twenty-five or thirty per cent larger labor complement than it would require if continuous operation could be brought about. I hope your discussion will throw some light on the possibilities of remedy. There lies in this intermittency not only a long train of human misery through intermittent employment, but the economic loss to the community of over a hundred thousand workers who could be applied to other production, and the cost of coal could be decreased to the consumer. This

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intermittency lies at the root of the last strike in the attempt of the employees to secure an equal division among themselves of this partial employment at a wage that could meet their view of a living return on full employment.

These are but a few of the problems that confront us. But in the formulating of measures of solution, we need a constant adherence to national ideal and our own social philosophy.

In the discussion of these ideals and this social philosophy, we hear much of radicalism and of reaction. They are, in fact, not an academic state of mind but realize into real groups and real forces influencing the solution of economic problems in this community. In their present-day practical aspects, they represent, on one hand, roughly, various degrees of exponents of socialism, who would directly or indirectly undermine the principle of private property and personal initiative, and, on the other hand, those exponents who in varying degrees desire to dominate the community for profit and privilege. They both represent attempts to introduce or preserve class privilege, either a moneyed or a bureaucratic aristocracy. We have, however, in American democracy an ideal and a social philosophy that sympathizes neither with radicalism nor reaction as they are manifested today.

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For generations the American people have been steadily developing a social philosophy as part of their own democracy, and in these ideals, it differs from all other democracies. This philosophy has stood this period of test in the fire of common sense; it is, in substance, that there should be an equality of opportunity, an equal chance, to every citizen. This view that every individual should, within his lifetime, not be handicapped in securing that particular niche in the community to which his abilities and character entitle him, is itself the negation of class. Human beings are not equal in these qualities. But a society that is based upon a constant flux of individuals in the community, upon the basis of ability and character, is a moving virile mass; it is not a stratification of classes. Its inspiration is individual initiative. Its stimulus is competition. Its safeguard is education. Its greatest mentor is free speech and voluntary organization for public good. Its expression in legislation is the common sense and common will of the majority. It is the essence of this democracy that progress of the mass must arise from progress of the individual. It does not permit the presence in the community of those who would not give full meed of their service.

Its conception of the State is one that, rep-

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representative of all the citizens, will in the region of economic activities apply itself mainly to the stimulation of knowledge, the undertaking only of works beyond the initiative of the individual or group, the prevention of economic domination of the few over the many, and the least entrance into commerce that government functions necessitate.

The method and measures by which we solve this accumulation of great problems will depend upon which of these three conceptions will reach the ascendancy amongst our people.

If we cling to our national ideals it will mean the final isolation and the political abandonment of the minor groups who hope for domination of the government, either by "interests" or by radical social theories through the control of our political machinery. I sometimes feel that lawful radicalism in polities is less dangerous than reaction, for radicalism is blatant and displays itself in the open. Unlawful radicalism can be handled by the police. Reaction too often fools the people through subtle channels of obstruction and progressive platitudes. There is little danger of radicalism's ever controlling a country with so large a farmer population, except in one contingency. That contingency is from a reflex of continued attempt to control

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this country by the “interests” and other forms of our domestic reactionaries.

The mighty upheaval following the world war has created turmoil and confusion in our own country no less than in all other lands. If America is to contribute to the advance of civilization, it must first solve its own problems, must first secure and maintain its own strength. The kind of problems that present themselves are more predominantly economic—national as well as international—than at any period in our history. They require quantitative and prospective thinking and a sense of organization. This is the sort of problems that your profession deals with as its daily toil. You have an obligation to continue the fine service you have initiated and to give it your united skill.

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### ADDRESS OF MR. HOOVER BEFORE THE BOSTON CHAMBER OF COMMERCE (MARCH 24, 1920)

As you are aware, a report has recently been issued by the Industrial Conference, of which I have been a member together with Governor McCall and Mr. Hooker of your State. The conference embraced among its members representatives from all shades of life including as great a trade unionist as Secretary Wilson. I propose to discuss a part of the problem considered by that commission. There is no more difficult or more urgent question confronting us than constructive solution of the employment relationship. It is not sufficient to dismiss the subject with generous and theoretic phrases, "justice to capital and labor," "the golden rule," "the paramount interest of the people," or a score of others, for there underlies this question the whole problem of the successful development of our democracy.

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During last year there was a great deal of industrial unrest throughout the entire world. This has somewhat moderated during the last few months, but the underlying causes are only slumbering. Because the country is not today involved in any great industrial conflicts, we should not congratulate ourselves that the problem of industrial relations has been solved. Furthermore, the time for proper consideration of great problems does not lie in the midst of great public conflict but in sober consideration during times of tranquillity. There is little to be gained by discussion of the causes of industrial unrest. Every observer is aware of the category of disturbing factors and every one will place a different emphasis on the different factors involved.

There is, however, one outstanding matter that differentiates our present occasion from those that have gone before. It cannot be denied that unrest in our industrial community is characterized more than ever before by the purposes and desires that go beyond the demand for higher wages and shorter hours. The aspirations inherent in this form of restlessness are to a great extent psychological and intangible. They are not, for this reason, any less significant. There is perhaps in some local cases an infection of European patent medi-

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cines, and the desire to use labor for political purposes. Aside from this, however, they do reveal a desire on the part of the workers to exert a larger and more organic influence in the processes of industrial life. They want better assurance that they will receive a just proportion of their share of production. I do not believe those desires are to be discouraged. They should be turned into helpful and coöperative channels. There is no surer road to radicalism than repression.

One can only lead up to consideration of these problems by tracing some features of our industrial development even though they may be trite to most of you. One underlying cause of these discontents is that with the growth of large plants there has been a loss of personal contact between employers and employees. With the high specialization and intense repetition in labor in industrial processes, there has been a loss of creative interest. It is, however, the increased production that we have gained by this enlargement of industry that has enabled the standard of living to be steadily advanced. The old daily personal contact of employer and employee working together in small units carried with it a great mutuality of responsibility. There was a far greater understanding of the responsibilities toward em-

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ployees and there was a better understanding by employees of the economic limitations imposed upon the employer. Nor can the direct personal contact in the old manner be restored.

With the growth of capital into larger units, there was an inequality of the bargaining power of the individual. Labor has therefore gradually developed its defense against the aggregation of capital by counter-organization. The organized uses of strike and lockout on either side and the entrance of their organization into the political arena have become the weapons for enforcement of demands. The large development of industrial units with possible cessation of production and service, through strikes and lockouts, penalizes the public. The public is not content to see these conflicts go on, for they do not alone represent loss in production, and thus lowering of the standard of living, but also they may, by suspension of public service, jeopardize the life of the community.

But the solution of the industrial problem is not solely the prevention of conflict and its losses by finding methods of just determination of wages and hours. Not only must solution of those things be found out but, if we are to secure increased production and increased standard of living, we must reawaken interest in

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creation, in craftsmanship and contribution of his intelligence to management. We must surround employment with assurance of just division of production. We must enlist the interest and confidence of the employees in the business and in business processes.

We have devoted ourselves for many years to the intense improvement of the machinery and processes of production. We have neglected the broader human development and satisfactions of life of the employee that leads to greater ability, creative interest, and co-operation in production. It is in stimulation of these values that we can lift our industry to its highest state of productivity, that we can place the human factor upon the plane of perfection reached by our mechanical processes. To do these things requires the coöperation of labor itself and to obtain coöperation we must have an intimate organized relationship between employer and the employee and that cannot be obtained by benevolence; that can only be obtained by calling the employee to a reciprocal service.

Therefore it has been the guiding thought of the conference that if these objects are to be obtained a definite and continuous organized relationship must be created between the employer and the employee and that by the or-

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ganization of this relationship conflict in industry can be greatly mitigated, misunderstanding can be eliminated, and that spirit of coöperation can be established that will advance the conditions of labor and secure increased productivity.

It is idle to argue that there are at times no conflict of interest between the employee and the employer. But there are wide areas of activity in which their interests should coincide, and it is the part of statesmanship on both sides to organize this identity of interest in order to limit the area of conflict. If we are to go on with the present disintegrating forces, these conflicts become year by year more critical to the existence of the State. If we cannot secure a reduction in their destructive results by organization of mutual action in industry, then **I** fear that public resentment will generate a steadily larger intervention of the Government into these questions.

In consideration of a broad, comprehensive, national policy, the Conference had before it four possible alternative lines of action. First, the attempt to hew out a national policy in the development of the progressive forces at work for better understanding in industry under such conditions as would maintain self-government in industry itself; or, secondly, to adopt

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some of the current plans of industrial courts, involving summary decision with jail for refusal to accept, such as that initiated in the State of Kansas; or, thirdly, the nationalization at least of the services upon which the very life of the community depends; fourthly, to do nothing.

In a survey of the forces making for self-government in industry, the Conference considered that definite encouragement must be given to the principles of collective bargaining, of conciliation, of arbitration, but that such forces could not develop in an atmosphere of legal repression. There is but little conflict of view as to the principle of collective bargaining and its vital corollary, fidelity to the bargain made. There has been conflict over the methods of representation on both sides. The Conference, therefore, has proposed that the Government should intervene to assist in determination of the credentials of the representatives of both sides in case of disagreement, and that such pressure should be brought to bear as would induce voluntary entry into collective bargain. Furthermore, it was considered that the large development of conciliation and arbitration already current in connection with such bargaining should be encouraged and organized under a broad national plan that would

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give full liberty of action to all existing arrangements of this character and stimulate their further development.

The Conference has therefore proposed to set up a small amount of governmental machinery comprising Chairmen covering various regions in the United States, with a Central Board in Washington, as a definite organization for the promotion of these agencies. It has believed that this is a step consonant with the normal development of our institutions and the progressive forces already in motion, and that in such steps lie the greatest hope of success. No one is compelled to submit to the machinery established but where the employer and employee refuse to enter into, or fail in, bargaining, then through the use of this machinery the public stimulates them to come together under conditions of just determination of the credentials of their representatives. The plan is, therefore, a development of the principle of collective bargaining. It is not founded on the principle of arbitration or compulsion. It is designed to prevent the losses through cessation of production due to conflict but, beyond this, to build up such relationship between employer and employees as will not only mitigate such disaster but will ultimately extend further into the development of the great mutual ground

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of interest of increased production and under conditions of satisfaction to both sides. It is a part of the conception of the Conference that only in bargaining and mutual agreement can there be given that free play of economic forces necessary to adjust the complex conditions under which our industries must function.

Reduction of conflict in industry is the phase that not only looms large in the public mind, but conflict is the public exhibit of the greatest mark of failure in industrial relations. The imminence of conflict is evidence of failure to have discussion or to arrival at mutual agreement. Therefore, under the plan of the Conference that mutual agreement is the best basis for prevention of conflict, the second step in the Conference proposals is that there should be a penalty for failure to submit to such processes. That penalty is a public inquiry into the causes of the dispute and the proper ventilation to public opinion as to its rights and wrongs. The strength of the penalty is based upon the conviction that neither side can afford to lose public good will. Pressure to rectitude by government investigation is distinctly an American institution. It is not an intervention of public interest that is usually welcomed. In the plan of this Conference, this general repugnance to investigation is depended upon as

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a persuasive influence to the parties of the conflict to get together and settle their own quarrels. They are given the alternative of investigation or collective bargain under persuasive circumstances. In order to increase the moral pressures surrounding the investigation, either one of the parties to the conflict may become a member of the board of investigation, provided he will have entered on an *a priori* undertaking that he is prepared to submit his case to orderly and simple processes of adjustment. Thus his opponent will be put at more than usual disadvantage in the investigation. If both sides should agree to submit to normal processes of settlement, the board of investigation becomes at once the stage of a collective bargain and the investigation ceases.

I will not trouble you with the elaborate details of the plan, for they involved a great deal of consideration as to many difficult questions of selection of representatives, provision for action by umpires, for appeal to a board in certain contingencies, the character of questions to be considered, methods of enforcement, standards of labor, and so on. The point that I wish to make clear is that the Conference plan is fundamentally the promotion of collective bargaining under fair conditions of representation by both sides and the definite organi-

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zation of public opinion only as a pressure on the parties at conflict to secure it. It is therefore basically not a plan of arbitration, nor is it an industrial court. It is stimulation to self-government in industry. The plan contains no essence of opposition to organized labor or organized employers. It involves no dispute of the right to strike or lock out, nor of the closed or open shop. It simply proposes a sequence of steps that should lead to collective bargain without imposing compulsions, courts, injunctions, fines, or jail. It is at least a new step and worth careful consideration before employees and employers subject themselves to the growth of public demands for the other alternatives of wider governmental interference.

The Conference has set out the critical necessity of the development within industry itself of a better basis of understanding as having the great values that all prevention has over cures. There have been hopeful developments in American industry during the past two or three years in this direction. The first unit of employment relationship is each industrial establishment, and if we would battle with misunderstanding and secure mutual action it must be at this stage. It takes its visible form in the organization in many establishments under various plans of shop councils, shop

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committees, shop conference, all of which are based on the democratic selection of representatives of employees who shall remain in continuous open and frank relation and conference with the employer in the interests of both. Where this development has had success it has had one essential foundation; that is, that it must be conceived in a spirit of coöperation for mutual benefit and it has invariably lost out where it has been conceived solely to bargain for wages and conditions of labor. It does not necessarily involve profit-sharing, but it does involve a human approach to the problems on both sides and a mutual effort at betterment.

It is the organization of such contact between employer and employees which distinguishes this advance from the previous drift in large industry. This type of organization has met with success not only in non-union shops but in unionized shops, and in the latter case it has imported the spirit of mutuality in addition to sheer negotiation of grievance as to conditions of labor. It cannot, in our view, succeed if it is to be conceived in a spirit of antagonism either to employer or to union organization.

The trade unions of the United States have conferred such essential services upon their

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membership and upon the community that their real values are not to be overlooked or destroyed. They can fairly claim great credit for the abolition of sweat shops, for recognition of fairer hours in industry, reduction of overstrain, employment under more healthful conditions, and many other reforms. These gains have been made through hard-fought collective bargains and part of the difficulties of the labor situation today is the bitterness with which these gains were accomplished. In my own experience in industry I have always found that a frank and friendly acceptance of the unions' agreements, while still maintaining the open shop, has led to constructive relationship and mutual interest.

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In the early days trade unionism was dominated mainly by the economic theories of Adam Smith, and union labor at that time adopted as one of its tenets that a decrease of productive effort by workers below their physical necessities would result in more employment and better wage. During the past twenty-five or thirty years, this economic error has been steadily diminishing in American trade unions and while it may be adhered to by some isolated cases today it is not the economic conception of large parts of that body. The great majority have long since realized that an increased

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standard of living of the whole nation must depend upon a maximum production within the limits of proper conservation of the human machine. We find, during the past few years, many of the unions embracing the further principle of actual coöperation with the employer to increase production. I believe the development of this latter theme opens avenues for the usefulness and growth of trade unionism of greater promise than any hitherto tried. I am aware of the current criticism in some union quarters of the development of the shop council idea for this purpose, and there are perhaps isolated cases that give merit to this opposition. The strongest argument of union labor against the shop council system should lie in the fact that nation-wide organization of labor is essential in order to cope with the unfair employers, but I believe that if they embrace encouragement to shop council organization they open for themselves not only this prevention of unfairness but the whole new field of constructive coöperation and the further reduction of industrial conflict.

Attempts by governments to stop industrial war are not new. The public interest in continuous production and operation is so great that practically every civilized government has time and again ventured upon an attempt

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at its reduction. There is a great background of experience in this matter, for the world is strewn with failure of labor conferences, conciliation boards, arbitration boards, and industrial courts. This Conference, of course, had in front of it and in the experience of its members this background of the past score of years. I understand that recently you have had ably presented to you the industrial solution that has been enacted into legislation by the State of Kansas. I think some short discussion of this legislation may be of interest in illuminating the difference in point of view between the industrial conference and that legislation. The Kansas plan is, I believe, the first large attempt at judicial settlement of labor disputes in the United States. With the exception of one particular, it is practically identical with the industrial acts of Australasia of fifteen to twenty years ago. It comprises the erection of an industrial court, the legal repression of the right to strike and lockout under drastic penalties, the determination of minimum wage, and involves a consideration of a fair profit to the employer. The Kansas machinery goes one step further than any hitherto provided in this particular of placing more emphasis on fair profits and it also provides for the right of the State to take over and conduct the industry in

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last resort. Under the enumerated industries in the Kansas law, probably two thirds of Massachusetts industry would be involved. No man can say that this legislation may not succeed in Kansas or under American conditions. The experiment is valuable, and if it should prove a success to both employees and employers Kansas will have again taken the initiative in service to her sister states.

I will not be taken as a carping critic if I point out the difficulties in its progress on the basis of Australasian experience. It may, as did the Australasian acts, have a period of apparent success, and the workers benefit by an initial service in planing out the worst injustices. So far as I can see today, there is no reason why it will not run the same course as in Australia, where the amount of strikes and dislocation was ultimately as great under these laws as in countries without them. In periods of industrial prosperity, the advancing wage usually adjudicated by the industrial courts prevents strikes, but in times of industrial depression decisions against the work people give rise to the old form of resistance.

No one denies the right of the individual to cease work. The question involved in this form of legislation is the right to combination in common action by strike. Whatever the

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right may be, it is a certainty that the working community of the civilized world adheres to this right as an absolute fundamental to their protection. They believe that the aggregation of capital into large units under single control places them at an entire disadvantage if they cannot threaten to use their ultimate weapon of combined cessation of labor. While it may be argued that the State may intervene in such a manner as to substitute the protection of justice for the right of strike and lockout, the belief in the right to strike has become imbedded in the minds of the laboring community of the world to an extent that it will not receive with confidence any alternative in driving its own bargains.

There are other difficulties in compulsory adjudication of disputes. The workings of such law necessarily result in ultimate determination of minimum wage for all crafts and industries. Every different industrial unit will claim a different minimum based upon its local economic surroundings. Otherwise the competitive basis upon which industry is established will be undermined. No court has ever yet adequately solved these differentials and some dislocation of industry results. I would expect to see develop out of this type of minimum wage the same phenomenon that existed in

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some parts of Australia, where certificates of inability to earn the minimum, and therefore permission to undertake employment at less than this wage had to be issued in order that employment might be found for the aged and disabled. The employers will naturally in face of a minimum wage retain in employment that quality of worker that can give the maximum effort. Another difficulty is the tendency for wages of all workers, regardless of their ability, to fall to the minimum, for the employer naturally reduces the good to average with the poor worker. I would not want to be understood to necessarily oppose the possibilities of a minimum wage for women over large areas, as distinguished from craft minimums for men, because certain social questions enter that problem to an important degree.

There is another feature of the Kansas Act that should be given a great deal of consideration, and that is its essential provision that in the determination of wage disputes it shall be based on a fair profit to the employer. This must ultimately lead to a determination as to what a fair profit consists of, just as minimum wage will need be found for every craft and every establishment. I do not assume that any employer will contend for an unfair profit, but the termination of what may be a fair or unfair

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profit in respect to the hazards involved in the institution of a business, in its conduct over a long term of years, its necessary provisions for its replacement and future disasters, is a matter that has not yet been satisfactorily determined by either theoretic economics, legislation, or courts. In competitive industry the processes of business determine this matter every day, and owners will only claim such determination by the State when the competitive tide is against them. We have long since recognized the rights of the State to determine maximum profits in case of a monopoly, but the determination of minimum profits (for fair profit is a minimum as well as maximum) may deliver large burdens to the people. Moreover, I doubt whether labor will ultimately welcome such determination, for an unsuccessful plant, instead of abandoning its production to its competitors, will claim wage reductions from the courts, and the general level of wages can thus be driven down and the State, at least morally, becomes a guarantor of profits in over-developed industry. This plan in the long run substitutes government control of industry for competition.

As to whether such acts will not tend to crush out initiative, credit, and curtail the proper development of industry, can only be determined

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with time. Generally, it should be clearly understood that compulsory settlement of employment at best only assures continuity of production through just wages, hours and profits. It does not approach the problem from the point of view of upbuilding a relation in industry that will, if successful, not only eliminate strikes and lockouts, but make constructively for greater production and cheaper costs.

The economic repercussions from such regulation do not all lie in favor of either capital or labor. To curtail the activities in one is not necessarily a favor to the other.

I am sure you would, upon consideration, view the entry of the Government on a nationwide scale into the determination of fair wage and fair profit in industry, even if it could be accomplished without force, with great apprehension. There are some things worse in the development of democracy than strikes and lockouts, and whether by legislative repression we do not set up economic and social repercussions of worse character is by no means determined. They have also the deficiency in that they undermine the real development of self-government in industry and that, to me, is part of the growth of democracy itself. Courts and litigation are necessary to the preservation of life and property, but they are less stimulus

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to improved relations among men than are discussion and disposal of their own differences.

The whole world is groping for solution to this problem. If we cannot solve it progressively, our civilization will go back to chaos. We cannot stand still with the economic and social forces that surround us. There has never been a complete panacea to all human relationships so far in this world. The best we can do is to take short steps forward, to align each step to the tried ideals that have carried us thus far. The Conference has endeavored to find a plan for systematic organization of the forces that are making for better relationships, to encourage the growing acceptance of collective bargaining by providing a method that should enable it to meet the objections of its critics and to aggregate around this the forces of conciliation and arbitration now in such wide use. It has sought to do this without legal repression but with the organized pressure of public opinion.

To me there is no question that we should try the experiment of the perhaps longer road proposed by the Industrial Conference for the development of mutuality of relationship between employer and employee, rather than to enter upon summary action of court decision that may both stifle the delicate adjustment of

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industrial processes and cause serious conflict over human rights. We must all agree that those deficiencies in our social, economic and political structure which find solution through education and voluntary action of our people themselves are the solutions that endure. To me, the upbuilding of the sense of responsibility and of intelligence in each individual unit in the United States with the intervention of government only to promote the development of these relations, the suppression of domination by any one group over another, is the basis upon which democracy must progress.

Upon the solution of industrial peace and good will does the gradual lift of the standard of life of our whole people rest by increase in the material and intellectual output and its proper distribution among all of us. To me the philosophic background of solution lies in rigorous application to economic life of our tried national ideal—the equality of opportunity and the preservation of industrial initiative; that is, the stimulation of every individual by his own effort to take that position in the community to which his abilities and character entitle him and the protection to him to attain that end. In the earlier days of our democracy, with its simpler economic life, we were concerned more with the application of this ideal

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in its social and political phases. It has been so long and firmly established there that it is no longer a matter of discussion. With the growth of greater complexity in our economic life, its practical application to the sharing in the material and intellectual output in proportion to effort, ability, and character, becomes more difficult. It must, nevertheless, be adhered to if the ideal of our democracy is not to be abandoned.

I do not believe we can attain this equality of opportunity or maintain initiative through crystallization of economic classes or groups arraigned against each other, exerting their interest by economic and political conflicts, nor can we attain it by transferring to governmental bureaucracies the distribution of material and intellectual products. I do believe that we can attain it by systematic prevention of domination of the few over the many and stimulation of individual effort in the whole mass.

It is well enough to hold a philosophic view, but the problems of day to day that arise under it are very practical problems that require concrete solution, and the employment relation is one of them.

## APPENDIX IV

### SOME NOTES ON AGRICULTURAL READJUSTMENT AND THE HIGH COST OF LIVING<sup>1</sup>

By HERBERT HOOVER

THE high cost of living is a temporary economic problem, surrounded by high emotions. The agricultural industry is a permanent economic problem, surrounded by many dangers. We are now entering into our regular four-year period of large promises to sufferers of all kinds. Except to demagogues and to the fellows who farm the farmer, there are no easy formulas; nevertheless, there are constructive forces that can be put in motion—and these are good times to get them talked about.

As bearing upon some suggestion of constructive solution, I wish to establish and analyze certain propositions. Amongst other things they involve a clear understanding of the bearings of different segments of the total

<sup>1</sup> *Saturday Evening Post*, Issue April 10, 1920.

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price of food between the different links in the chain of production and distribution. These propositions are:

First: That the high cost of living is due largely to inflation and shortage in world production; speculation is an incident of these forces, not the cause.

Second: That the farmer's prices are fixed by the impact of world wholesale prices; that such prices bear only a remote relation to his costs of production.

Third: That any increase or decrease in the cost of placing the farmer's products into the hands of the wholesaler is a deduction from or addition to the farmer's prices; that is, an expansion or contraction of the margin between the farm and wholesale prices makes an increase or decrease in the farmer's return.

Fourth: That increase or decrease in the cost of distributing food from the wholesaler to the door of the ultimate consumer is a deduction or addition predominantly to the consumer's cost; that is, the margin between the wholesaler and consumer in its increases or decreases is largely an addition or subtraction from the consumer's price.

Fifth: That these two margins in most of our commodities except grain were, before the war, the largest in the world; that they have grown

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abnormally during the war, except during the year of food control.

Sixth: That analysis of the character of the margin between the farmer and wholesaler will show that decreases in price find immediate reflection on the farmer, while immediate increases in price are absorbed by the trades between and the farmer gets but a lagging increase.

Seventh: That an analysis of these margins will show that they can be constructively diminished but that, regrettable as it is, the prosecution of profiteers will not do it.

Eighth: That the problem must be solved, if our agriculture is to be maintained and if the balance between agriculture and general industry is to be preserved so as to prevent our becoming dependent upon imports for food, with a train of industrial and national dangers.

## PRESENT PRICES DUE TO INFLATION AND SHORTAGE IN WORLD PRODUCTION

Our war inflation does not lie so much in our increased gold and currency. Our currency per capita has increased by perhaps 25 or 30 per cent, but, compared to European practice of currency inflations of 200 to 800 per cent, our conduct has been

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provident indeed. This is not, however, the real area of inflation. It lies in the expansion of our bank credits. If we exclude the savings bank as not being credit institutions in the ordinary sense, and if we compile the commercial bank deposits, we still no doubt gather in some real savings, but nevertheless the figures show a considerable color of inflation somewhere. No one need think we have gotten so suddenly rich as the money complexion of these figures might indicate. At the outset it should be emphasized that all figures of this kind are subject to dispute and interpretation; but, after all such deductions, the indication of tendencies remains.

Year	Bank Deposits Total	Per Cent Change from 1913
1913	11,390,918,596	100.0
1914	11,974,760,593	105.1
1915	12,282,097,638	107.8
1916	15,398,090,701	135.2
1917	18,444,103,496	161.9
1918	20,425,067,839	179.3
1919	24,971,784,000	219.2

It will be accepted at once that the volume of bank deposits must grow with increased commodity production and therefore we may roughly examine into this as well. If we combine the tonnage productivity of agriculture, metals, coal, salt, cement, lumber and the quar-

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ries, we shall cover the great bulk of our products. These figures also must be taken as merely indicating the tendencies of the times.

Year	Production in Tons	Per Cent Change from 1913
1913	1,081,293,417	100.0
1914	1,019,018,207	94.2
1915	1,073,472,988	99.3
1916	1,162,489,530	107.5
1917	1,241,173,806	114.8
1918	1,247,787,883	115.4
1919	1,117,181,233	103.3

If we attach the index of prices during these periods and compare them with the per cent variation in commodity production and bank deposits, we have the following interesting parallels:

Year	Per Cent Change in Production from 1913	Per Cent Change in Bank Deposits from 1913	Department of Labor Wholesale Index of All Commodities
1913	100.0	100.0	100.0
1914	94.2	105.1	99.3
1915	99.3	107.8	100.5
1916	107.5	135.2	120.5
1917	114.8	161.9	175.9
1918	115.4	179.3	196.6
1919	103.3	219.2	214.5

Two different extreme schools of economics will interpret these tables differently. One will

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hold that the increase in credit and money must influence prices in exact ratio. The other will hold the rise of prices as due to shortage in production, either at home or abroad, and that rise in price necessitates an increase in credits and money to carry on commerce. Both are probably right, for short production and inflation probably alternatively serve as cause and effect. The first school has some claims upon the large volume of gold we imported the first three years of the war and multiplied into credits—as the cause prior to our coming into the war. They can also point out that our Treasury and banks deliberately inflated bank credits in order to place war loans and that if this form of credits was removed our expansion would be nothing like its present volume. As necessary as it may have been to use this method in securing quick money at a low rate during the war, there are the strongest objections to it since the armistice was signed. If our post-war finance at least had been secured from savings by offering sufficiently attractive terms, the inflation would be less although the market price of Liberty Bonds might be lower.

That short world production has been one of the causes of rising prices cannot be denied. The warring powers of Europe took 60,000,-

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000 men from production (nearly one third their productive man power) and put it to destruction. They have lived to a great degree by gain of commodities from the United States, and thus brought their shortage to our shores. They have not yet altogether recovered from the holidays of victory, the gloom of defeat, the persuasive "isms" that would find production without work, the destruction of their economic unity, transportation, credits, and other fundamentals necessary to maintain production. It will be some time before they do recover. In the meantime, they are perforce reducing their consumption—their standard of living—because they have largely exhausted their securities, commodities or credit to continue the borrowing of our commodities for their own short production, as during the war. The exchange barometer is today witness of the end of this procedure of living on borrowed money. In passing, it may be mentioned that exchange is no more a cause of their inability to buy from us than is the barometer the cause of blizzards. The storm is that they have mostly exhausted their credits and they have not recovered production so as to offer commodities to us in exchange for ours.

Our own industrial production, as distinguished from agricultural production, has

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fallen rapidly since the armistice. Some of the fall is due to war weariness, some to "isms" that have infected us from Europe, some to the natural abandonment of high cost production brought into play during the war, some to strikes and a host of other wastes. Our consumption has greatly increased since the restraints of war. Decrease had not penetrated our agricultural community up to 1919 harvest, nor will such decrease arise from these causes, but as I will set out later, forces are entering that will decrease our agricultural production. Our production in nearly all important food commodities except sugar is in surplus of our own need. It only becomes a shortage affecting prices under the drain of exports. Therefore, it is the world shortage that is affecting our price levels, and not, so far, a deficiency for our needs.

So far as relief from price influence by shortage in production is concerned, it may arise in two ways. First, slowly through gradual recuperation in world production. Second, by compulsory reduction of consumption in Europe through their inability to pay us by commodities, gold or credits. This latter has been very evident through the drop in exchange and engagements for export during the past few weeks.

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### THE THREE DIVISIONS OF THE PRICE

The cost of food to the consumer is divided among the farmers on one hand and storage, manufacture, jobbers, wholesalers, retailers and transportation on the other. I believe these charges between the farmer and consumer fall into two distinct groups—the charges comprising the margin between the farmer and wholesaler which mainly concern the farmer, and charges between the wholesaler and consumer, which mainly concern the consumer. To establish this division, it is necessary to analyze shortly the datum point by which price is determined.

The diet of the American people from a nutritional (not financial) standpoint comprises the following articles and proportion:

Wheat and Rye .....	29.5%
Pork Products .....	15.7%
Dairy Products .....	15.3%
Beef Products .....	5.3%
Corn Products .....	7.0%
Sugar Products .....	13.2%
Vegetable Oils .....	3.6%
All other, including potatoes	10.4%
	<hr/>
	100.0%

The wholesale price of about 90 per cent of our food in normal times is only remotely de-

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terminated by the cost of production, but mostly by world conditions. We export a surplus of most commodities among the 90 per cent and the prices of exports are determined by competition with other world supplies in the European wholesale markets. Those items in this 90 per cent that we do not export are influenced by the same forces, because in normal times we import them on any considerable variation in price and the wholesaler naturally buys in the cheapest market. Even milk is to a considerable degree controlled by butter imports in normal times. When we import butter it releases more milk in competition. This cannot be said to such extent of most of the odd 10 per cent, because they are largely perishables that do not stand overseas transport and consequently rise and fall more nearly directly upon local supply and demand. Some economists will at once argue that if prices are unprofitable to the farmer the situation will correct itself by diminished production and, consequently, a general rise in the world level of prices. In the abstract, this is true, but as a matter of fact the surplus which our farmers contribute for export is only a small portion of their total production or of the world pool, yet the total of the world pool operating through this minor segment makes the prices for a large

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part of the farmers' commodities. Therefore, the effect in normal times of restriction in production in any one country does not affect price so much as theoretic argument would believe. The farmer must plant if he would live, and he must plant long in advance of his knowledge of prices or world production. He can make no contracts in advance of his planting, nor can he cease operations on the day prices fall too low. He is driven on, year after year, in hope and necessity, and will continue over long periods with a standard of return below rightful living because he has no other course—and always has hopes. He will vary fairly rapidly from one commodity to another—from wheat to other grains, for instance—but he mostly raises his maximum of something. In the long run of decreasing prices he would undoubtedly reach so low a standard as to cease production. Then comes a comparatively short period of higher prices in some commodity; production is again stimulated and followed by long intervals of low standards. As shown by the following table, on the whole, the farmer has not been underpaid during the war, but the currents again are turning against him.

It will be seen that the farmer enjoyed prices

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Department of Labor Wholesale Index of All Commodities	Index of Prices at the Farm in Principal Produce States				
	All Farm Produce	Hogs	Corn	Wheat	Cotton
Pre-war .....	100	100	100	100	100
First Quarter 1918...	187	200	213	224	254
Last Quarter 1918...	206	204	223	220	258
First Quarter 1919...	200	202	225	228	264
Last Quarter 1919...	230	206	178	216	277
					268

equivalent to or higher than the general level up to the last six months. He is now, however, falling behind in some important products. Unlike the industrial workers, he is unable to demand an adjustment of his income to the changed index of living.

For the moment, what I wish to establish is only that the farmer's prices are not based upon any conception of the cost of production, but upon forces in which he has no voice. He can never organize to put his industry in a "cost plus" basis as industrial producers do, and remedy must be found elsewhere.

### THE TWO MARGINS

As stated, the margin between the farmer and consumer falls into two divisions—one of

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which predominantly affects the farmer and the other the consumer. It is really the wholesale prices that govern the farmer, rather than retail prices, for it is in wholesale prices that the farmer competes with the world. As the prices paid by the wholesaler are mostly fixed by overseas trade at the datum point on the Atlantic seaboard or in Europe, then if the margins between the wholesaler and the farmer are unduly large, or increase, it is mostly to the farmer's detriment. For instance, as the price of the farmer's wheat in normal times is made in Liverpool, any increase in handling comes out of the farmer's price. Likewise, as the wholesale price of butter is made by the import of Danish butter into New York, any increase in the numbers or charges between our farmer and the wholesale buyer comes, to a considerable degree, out of the farmer.

As the datum point of determining prices is at the wholesaler, the accretion by the charges for distribution from that point forward to the consumer's door will not affect the farmer, but will affect the consumer. When competition decreases through shortage the consumer pays the added profits of these trades.

Studies of the cost of our distribution system, made by the Food Administration during the war, established two prime conditions. The

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first is that the margins between our farmers and the wholesaler in commodities other than grain in some instances, are, even in normal times, the highest in any civilized state—fully 25 per cent higher than in most European countries. The expensiveness of our chain of distribution in most commodities in normal times, as compared to Continental countries, is due partly to the wide distances of the producing areas from the dominating consuming areas, but there are other contributing causes that can be remedied. In Europe, the great public markets in the cities bring farmer and consumer closely together in many commodities, but in the United States the bulk of products are too far afield for this. The farmer must market through a long chain of manufacturers, brokers, jobbers and wholesalers with or without their own distribution system, who must establish a clientele of direct retailers; and thus public markets, except in special locations and in comparatively few commodities, have not been successful. Another major factor in our cost of distribution is the increasing demand for expensive service by our consumers. There are many other factors that bear on the problem and the economic results of our system which are discussed, together with some suggestion of remedy, later on.

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The second result of these studies was to show the great widening of this margin during the war. During the year of the Food Administration's active restraint on this margin, there was an advance of six points in the wholesale index while the farmer's index moved up 25 points. Both before and after that period the two indexes moved up together. The same can be said of the margins between the wholesaler and the consumer. Taking the period of the war as a whole, the margin between the farmer and consumer has widened to an extravagant degree.

A good instance of a movement in margins is shown in flour in 1917. The farmer's average return for wheat of the 1916 harvest, as shown by the Department of Agriculture, was about \$1.42. As about four and one-half bushels of wheat are required to make a barrel of flour, the farmer's share of the receipts from this harvest was about \$6.40 per barrel. In 1917, before the Food Administration came into being, flour rose to \$17.50 per barrel to the consumer, or, at that time, a margin of \$11.00 per barrel. During the Administration, the farmer received an average of about \$2.00 for wheat at the farm, or about \$9.00 out of a barrel of flour. The consumer paid \$12.50, the margin being about \$3.50 per barrel.

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This increase in margins shows vividly in the higher priced foods, for instance, pork products. If we take hogs at the railway station over the great hog states contiguous to Chicago as a basis, we find:

Six Months	Price of Hogs in Principal States Per 100 Lbs.	Price of Cured Products to Consumer from 100 Lbs. Hogs	Margin Between Farmer and Consumer
1914	\$7.45	\$18.97	\$11.52
1919	16.27	37.33	21.06
1920	15.37	37.71	22.34

Thus, while the farmer has gained about \$7.92 in his price, the margin has increased by \$10.82 to the consumer and, incidentally, during the last year since food control restraints were removed, the consumer has paid \$.30 more while the farmer got \$.90 less. These instances could be greatly multiplied.

It is unfortunate that our national statistics do not permit a complete analysis of the distribution of margin between all the various groups in the chain between the farmer and consumer in different commodities. It would be helpful if we could take the farmers, railways, manufacturers, wholesalers and retailers, and determine what proportion each receives.

These margins between farmer and consumer

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are made up of a necessary chain of charges for transport, storage, manufacture and distribution. The great majority of citizens who are engaged in the processes that go to make up this portion of food costs are employed in an obviously essential economic function, and they do not approach it in a spirit of criminality, but as a very necessary, proper, and honorable function. They have, since the European War began, rather over-enjoyed the result of economic forces that were not of their own creation. That a considerable margin is necessary to cover the legitimate costs of, and profits on, distribution is obvious. The only direction of inquiry is how they can be legitimately minimized. These margins, starting from the unduly high expense of a faulty system, have increased not only legitimately, due to increased transportation, labor, rent, taxes, and increased interest upon the large capital required, but they have, except during the period of control, increased unduly beyond these necessities. There are two general characteristics of this margin that are of some interest. In the first instance, all of the transport, storage, manufacture and handling is conducted upon a basis of cost plus either fixed returns or, as is more usually the case, a percentage of profit upon the whole cost of operation. Any

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distributing agency ceases to operate when it does not secure costs and a profit. Consequently, all those links put up a resistance to a curtailment of the margin which the farmer is unable, except by absolute exhaustion, to put against reduction of his price levels. If rapid falls in food prices occur, the farmer, at least in the first instance, has to stand most of the fall because he cannot quit. The farmer's costs of production relate to a period long prior to the fall. Thus, if wages are due to fall as a result of a fall in food prices, the farmer is always selling on the old basis of his costs. The farmer has but one turn-over in the year. The middleman has several and can thus adjust himself quickly.

Second, the custom of many of these businesses is to operate upon a percentage of profit on the value of the commodities handled, even after deducting all their increased costs, interest or other charges. When we have rising prices, therefore, a doubling of prices, for instance, tends to double profits on the same volume of commodities handled. In a rising market, competitive pressures are much diminished and the dealer can assess his own profits to greater degree than usual. While the packers make a profit of, say, two cents on the dollar value of commodities, it represents double the

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profit per pound over pre-war, even after allowing such items as interest on the larger capital involved.

### REDUCTIONS OF THE MARGINS

Aside from the necessary rise in the margin that has grown out of the rise in cost of labor, rent, etc., from inflation and world shortage, there are some causes which have accumulated to increase the margins between the farmer and the wholesaler and the wholesaler and consumer that could be greatly mitigated.

### BETTER TAX DISTRIBUTION

During the war, in order to restrain wild greed and profiteering in the then existing unlimited demand, margins between purchase and sale in the different manufacturing and handling trades were fixed in all the great commodities—iron, steel, cement, lumber, coal and foodstuffs. The first task of the war was to secure production, and the margins were therefore fixed at such breadth as would allow the smaller high cost manufacturer and the smaller dealer to live. Otherwise, the smaller competitors would have been extinguished, production would have been lost, and, worse yet, the larger low-cost opera-

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tor would have been left with much inflated monopoly. The excess profits tax was levied as a sequent corrective to this necessary first step, so as to take the undue profits of the large producer back to the public. It was a wise war measure, but the moment restraints on profits were taken off and there was a free and rising market ahead, then the tax was added to prices by all the participants and passed on to the consumer, or deducted from the farmer when world levels crowded his prices down. It should have been repealed at the time the controls were abandoned, but our legislatures have been busy with other things and, in the meanwhile, in food it not only increases the margin between the farmer and the consumer but tends, as stated above, to come out of the farmer to a large degree. It has other vicious results in that it also stimulates dealers and manufacturers to speculate their profits away in unsound business, rather than to pay it to the government. It does sound well to tax the great manufacturers, but to make them the agency to collect taxes from the population is not altogether sound government.

It is a very important tax to the Government, bringing as it does over a billion a year, and a place to put this load is not to be found

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easily. The income tax does not have so malign an effect, for it comes to a great extent from the individual and not from business. The present method of income tax, however, has some weaknesses. The same levy is made upon earned incomes as upon those that are unearned. The tax on earned incomes tends in certain cases to be passed on to the consumer or deducted from the farmer, and, besides, it is not just that a family living by giving productive service to the community should pay the same as a family that contributes nothing by way of effort. A stiff tax on these latter families might send them to work, and certainly would induce economy. Moreover, the earner of income must provide for old age and dependents while the unearned income taxpayer has this provision already. Altogether, it would seem the part of wisdom at least to increase the income tax on the larger unearned income and decrease it on the earners. It is argued that this drives great incomes to evasion by investment in tax-free securities, which is probably true. We need more comparative figures than the Treasury statistics yet show to answer this point. In any event, relief to the earner would free his savings to invest in taxable securities and we need above all things to stimulate the initiative of the saver. Income

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taxes, except when too high on earned incomes, do not destroy initiative, and every other government has, in taxing, recognized the essential difference between earned and unearned income. This distinction would generally relieve the range of smaller incomes, for they are mostly earned.

The inheritance tax has not been fully exploited as yet. It cannot be deducted from either farmer or consumer, it does not affect the cost of living, it does not destroy initiative in the individual if it leaves large and proper residues for dependents. It does redistribute overswollen fortunes. It does make for equality of opportunity by freeing the dead hand from control of our tools of production. It reduces extravagance in the next generation, and sends them to constructive service. It has a theoretic economic objection of being a dispersal of capital into income in the hands of the government, but so long as the government spends an equal amount on redemption of the debt or productive works, even this argument no longer stands.

We may need to come to some sort of increased consumption taxes in order to lift that part of excess profits and tax on earned incomes that cannot be very properly placed elsewhere. When it comes, it should lie on other commodi-

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ties than food, except perhaps sugar, one half of which is a luxury consumption. The ideal would be for it to be levied wholly on non-essentials in order that it should be a burden on luxury and not on necessity. There is no doubt difficulty in classifying. Jewelry and furs are easy to class, but where necessity leaves off and luxury begins in trousers is more difficult to determine.

It requires no lengthy economic or moral argument as a platform for denunciation of all waste and useless expenditure. Some sane medium is needed between comfort and luxury. Failing definition, and objection to blue laws, the theme must be taken into the area of moral virtues and become a proper subject for the spiritual stimulations of the church. There is a psychology in luxury wherein we all buy high-priced things because they are high-priced, not because they add comfort—and this has contributed also to our high cost of living, for those who do it drive up prices on those who try to avoid it. From an economic point of view, the only recipes are taxation as a device to make it expensive.

More constructive than increasing taxes is to take a holiday on governmental expenditures and relieve the taxpayer generally. If we could stave off a lot of expensive sugges-

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tions for a few years and secure more efficiency in what we must spend, then our people could get ahead with the process of earning something to be taxed. This would at least be comforting to the great farming and business community.

### BETTER TRANSPORTATION FACILITIES

There is a great weakness in our present railway situation bearing upon the farmer and consumer. Everyone knows of the annual shortage of cars during the crop-moving season. Few people, however, appreciate that this shortage of cars often amounts to a stricture in the free flow of commodities from the farmer to the consumer. The result is that the farmer, in order to sell his produce, often unknown to himself makes a sacrifice in price to local glut. The consumer is compelled at the other end to pay an increased price for foodstuffs due to the shortage in movement. The constant fluctuations in our grain exchanges locally or generally from this cause are matters of public record almost monthly. On one occasion a study was made under my administration into the effect of car shortage in the transportation of potatoes, and we could demonstrate by chart and figures that the margin between the farmer

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and the consumer broadened 100 per cent in periods of car shortage. Nor did the middleman make this whole margin of profit, because he was subjected to unusual losses and destruction, and took unusual risks in awaiting a market. The same phenomenon was proved in a large way at time of acute shortage of movement in corn and other grains.

The usual remedy for this situation is insistence that the railways shall provide ample rolling stock, trackage and terminals to take care of the annual peakload. We have fallen far behind in the provision of even normal railway equipment during the war and an additional 500,000 cars and locomotives are no doubt needed. Above a certain point, however, this imposes upon the railways a great investment in equipment for use during a comparatively short period of the year when many commodities synchronize to make the peak movement. The railways naturally wish to spread the movement over a longer period. The burden of equipment for short time use will probably prevent their ever being able to take entire care of the annual delays in transport and structure in market, although it can be greatly minimized.

There is possible help in handling the peak load by improving the waterways from the

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Great Lakes to the Atlantic seaboard by way of the St. Lawrence River, so as to pass full seagoing cargoes. It has already been determined that the project is entirely feasible and of comparatively moderate cost. The result would be to place every port on the Great Lakes on the seas. Fifteen states contiguous to the Lakes could find an outlet for a portion of their annual surplus quickly and more cheaply to the overseas markets than through the congested eastern trunk rail lines. It would contribute materially to reduce this effectual stricture in the free flow of the farmer's commodities to the consumers. Of far greater importance, however, is the fact that the costs of transportation from the Lake ports to Europe would be greatly diminished and this diminished cost would go directly into the farmer's pockets. It is my belief that there is a possible saving here of five or six cents a bushel in the transportation of grain. Although a comparatively small proportion of our total grain production flows to Europe, I believe that the economic lift on this minor portion would raise the price of the whole grain production by the amount saved in transportation of this portion of it. The price of export wheat, rye, and barley—sometimes corn—usually hogs—in Chicago at normal times is the

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Liverpool price, less transportation and other charges, and if we decrease the transport in a free market the farmer should get the difference. Not only should there be great benefits to the agricultural population, but it should be a real benefit to our railways in getting them a better average load without the cost of maintaining the surplus equipment and personnel necessary to manage the peakload during the fall months. It has been computed that the capital saving in rolling stock alone would pay for the entire cost of this waterway improvement over a comparatively few years. The matter also becomes of national importance in finding employment for the great national mercantile fleet that we have created during these years of war.

Another factor in transportation bearing upon the problem of marketing is the control by food manufacturing and marketing concerns of refrigeration and other special types of cars. This special control has grown up largely because, owing to seasonal changes in regional occupation for these cars over different parts of the country, no one railway wished to provide sufficient special cars and service for use that may come its way only part of the year. The result has been to force the building up of a domination by certain concerns who

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control many of the cars and stifle free competition. Much the same results have been attained by special groups in control of stock yards and, in some cases, of elevators. Where such formal or informal monopolies grow up, they are public utilities, and if the farmer is to have a free market they must be replaced by constructive public service.

### A FREE MARKET

Every impediment to free marketing in produce either gives special privileges or increases the risks which the farmer must pay for in diminished returns. We have some commodities where manufacture has grown into such units that these units exert such an influence that they consciously or unconsciously affect the price levels of the farmer's produce. When a few concerns have the duty of manufacturing and storing the seasonal reserves in a single commodity they naturally reduce prices during the heavy production season and increase them in the short season as a method of diminishing their risk and increasing profits. Moreover, their tendency is often to sell the minor portion of their product that goes for export at lower than the domestic price in order to dispose of it without depressing local prices. They do not need to conspire, for

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there can be perfectly coincident action to meet the same economic currents. Such coincidence has much greater possibilities of general influence with a few concerns in the field than if there were many.

The experience gained in the Food Administration on these problems during the war led to the feeling expressed at that time, that such business should be confined to one line of activity, just as we have had to confine our railways, banks and insurance companies. This is useful to prevent reliance being placed upon the profits of alternative products when engaged in stifling of competition, through selling below cost on some other item. Even this restriction may not prove to be sufficient protection to free market by free competition. I am not a believer in nationalization as the solution to this form of domination, but I am a believer in regulation, if it should prove necessary. If experience proves we have to go to regulation, it is my belief that it should be confined to over-swollen units and that the point of departure should not be the amount of capital employed but the proportion of a given commodity that is controlled. The point of departure must depend upon the special commodity and its ratio to the whole. When such a concern obtains such dimensions that it can influence

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prices or dominate public affairs, either with deliberation or innocence, then it must be placed under regulation and restraint. Our people have long since realized the advantage of large business operation in improving and cheapening the costs of manufacture and distribution, but when these operations have become so enlarged that they are able to dominate the community, it becomes of social necessity that they shall be made responsible to the community. The test that should apply, therefore, is not the size of the institution or the volume of capital that it employs, but the proportion of the commodity that it controls in its operations. It is my belief that if this were made the datum point for regulation, and if regulation were made of a rigorous order, this pressure would result in such business keeping below the limit of regulation. Thus the automatic result would be the building up of a proper competition, because men in manufacturing would rather conduct a smaller business free of governmental regulation than enjoy large operations subject to governmental control. There are probably only a very few concerns in the United States that would fall into this category, and they should be glad of regulation in order to secure freedom from criticism.

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### SPECULATION AND PROFITEERING

There are three kinds of speculation and profiteering in the food trades. The first is of the inherent speculative character of food-stuffs due to their seasonal nature. The farmer, more by habit than necessary, usually markets the bulk of his grain in the fall. By necessity he must market his animals at certain seasons for they must be bred at certain seasonal periods, they must be fed at certain seasons, and thus they come to market in waves of production larger than the immediate demand. In perishables he must market fairly promptly as he cannot himself maintain necessary special types of storage. Thus, the dealer must speculate on carrying the commodities for distribution during the period of short production while the farmer markets in time of surplus production. While full competitive conditions might reduce the charges for this hazard, there is a possibility of reducing the hazard by better organization and, consequently, the charge for the hazard that is now debited to the farmer. It is worth an exhaustive national investigation to determine whether an extension of a system of central markets would not afford great help. I do not mean the extension of our so-called exchanges dealing in local produce,

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but the creation of great central exchange markets with responsibilities for service to the entire people. This help would arise in two ways. The first is the hourly determination of price at great centers that all may know, and thus the farmer protects himself against local variations and manipulation. The second is a system of forward contracts through such a market between farmer and consumer on standardized commodities. Such contracts in effect remove the necessity of a speculative middleman. This system exists in grain and in cotton and in its processes eliminates large part of the hazard and carries the commodity at the lower rate of interest. The present trouble with the system of future contracts is that it lends itself to manipulation, but I believe this could be eliminated.

Take the case of potatoes; here is an unstandardized, seasonal commodity, with no national market and therefore no established daily price as a datum point. A grower in Florida, Maine, or Wisconsin, through a local agent, or through local sale, consigns potatoes to Pittsburgh because a larger price is reported there than in Chicago. The grower can usually make no actual sale to an actual retailer or wholesaler at destination because the buyer has no assurance of quality. Coincident shipment

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from many points to a hopeful market almost daily produces a local glut at receiving points somewhere in the country. Often enough the shipper gets no return but a bill for freight and the perishables sometimes rot in the yards. If potatoes were standardized and sold on contract in national market, protected from manipulation, three things should result. First, there would be a daily national price known to growers. Second, by the sale of a contract for delivery the grower would be assured of this price. Third, the contract and directions for shipment would flow naturally to the distributor where the potatoes were needed, and thus the present fearfully wasteful system would be mitigated. Potatoes would be a most difficult case to handle; dried beans, peas, even butter and cheese would be easier. I am not advocating widespread dealing in futures, but short contracts giving time for delivery would probably greatly decrease the margin between farmer and local distributor by saving great wastes in transport, in spoilage and in manipulation.

The second class of speculation is one largely of the war as a period of rising prices growing out of inflation, and so forth. It lies in the marking up of goods on the shelf to the level of the rising daily market. This marking up

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has been one of the large factors in increasing the margin during the war. No better example exists than the rise of flour during the 1916-1917 harvest year, referred to elsewhere. We shall have a remedy for this the moment the tide of inflation turns. The farmer and consumer cannot, however, expect that they will get even during such a reverse period for their losses on the rise, because the trades have too great an individual power of resistance against selling goods at a loss. Anyway, the marking up of goods will cease when prices cease to rise—and there is a limit.

The third class of speculation is wholly vicious. That is the purchase of foodstuffs, in times of rising economic levels, sheerly for the rise in price or the deliberate manipulation of markets during normal times. These operations are against the common welfare; they can find no moral or economic justification. They are not to be reached by prosecution; they must be reached by prevention. Our great boards of trade in fine patriotic spirit proved their ability during the war to control deliberate manipulation of grain and other futures.

The two latter types of speculation are an impediment to free markets and they become an unnecessary charge on the margin.

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### CO-OPERATIVE MARKETING BY THE FARMER

There can be no question of the improvement in position of both farmer and consumer in cases where coöperative marketing can be organized. The high development of coöperative citrus fruit marketing has resulted in lower average prices to consumer, better quality, and better return to the grower. Here is a case of scientific distribution lamentably absent in many other commodities. There are other specialized products to which it could be well extended. To reach its best development it should have parallel coöperative development among consumers as have we discussed elsewhere.

### SUNDRY ITEMS

There are many ways of assisting the agricultural industry not pertinent to this discussion on the cost of distribution. They do demand inquiry, and public illumination; most of them do not demand legislation so much as public education and consideration when legislating on other subjects. Our agricultural interests also need a foreign policy. For instance, during the last month there has been a consolidation of control of buying in world

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markets by the European Governments. How far it may be extended in its policies is not clear. Nevertheless, a combination of importers in all Europe under government control could determine the prices on every farm in the United States.

### THE MARGIN BETWEEN THE WHOLESALER AND CONSUMER

As the datum point of price determination is the wholesaler's market, the accretions of charge for distribution from that point forward, the economy of extravagance in these costs, is of primary interest to the consumer. The same phenomena of marking up goods on the shelf, calculating profits not on commodities but on dollars handled, a minor amount of vicious speculation, and the passing on of excess profits tax, are present in those trades during the past years. A much more pertinent phenomenon in unduly increasing their margins is the increasing demands of the consumer as to service. Several deliveries daily, purchases on credit, the abandonment of the market basket in favor of the telephone, mean many costs. One of them much overlooked is that customers must always have "first" quality when they buy over the telephone, and the sec-

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onds and thirds of equal food value in many commodities go to waste and are added to the price of the firsts. That there are some people in the United States who want to buy sanely is evidenced by the 400 per cent increase in "cash and carry" shops. There are also too many people in the final stages of distribution. One city in the United States has one meat retailer for every 400 inhabitants; it would be equally well served with one dealer for every 1200. The result is high margin to the retailers and no out-of-the-way income to any of them. There is no very immediate remedy for this. One possibility is an extension of coöperative buying by consumers. It has proved a great success abroad. It is not socialism, for it arises from voluntary action and initiative among the people themselves.

## ILL BALANCE OF AGRICULTURE AND GENERAL INDUSTRY

There is now a tendency to ill balance between the agricultural and general industry. For many years we were large exporters of food and importers of manufactured goods. We gradually imported mouths, manufactured our own goods and just as rapidly diminished our food exports. Up to the point where we

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consumed our own food and manufactured our own goods it has been a great national development. Our annual exports of food decreased during the past twenty-five years from some 15,000,000 tons to about 6,000,000 just before the European War. In the meantime we increased the import of such commodities as sugar, rice, vegetable oils, until our net exports were about 5,000,000 tons. Of the kinds of food exported this probably represents a decreased export of from twenty-five or thirty per cent of our production down to five per cent of it.

During the war we gave special stimulus to food production and produced greater economies in consumption so that these later years somewhat befog the real current, for our agricultural surplus in normal years is really very small. During the war and since, we have given great stimulus to our manufacturing industries. If we shall continue to build up our manufacturing industries and our export trade without corresponding encouragement to agriculture, we will soon have more mouths in our country than we can feed on our own produce. We shall, like the European States which have devoted themselves to industrial development, ultimately become dependent upon overseas food supplies. If we examine their situation

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we find the very life of their people is thus dependent upon maintaining open free access to overseas markets. From this necessity have grown the great naval armaments of the world, and the burden they imply on all sections of the population. Such nations, of necessity, have engaged in fierce competition for markets for their industrial products. Thus they built up the background of world conflicts. The titanic struggles that have resulted have endangered the very lives of their people by starvation. Their war tactics have, in large degree, been directed to strangle food supplies. One other result of this development is the terrible congestion of populations in manufacturing areas with all the social and human difficulties that this implies.

There is a jeopardy in industrial over-development which has received too little attention because the world has only experienced it during the past eighteen months. In times of industrial depression, or great increase in the cost of living, whether brought about by war or by the ebb and flow of world prosperity, these populations, oppressed with misery, turn to political remedies for matters that are beyond human control. They naturally resent the lowering of their standards of living, and they inevitably resort to industrial strife, to

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strikes and disorder. Theirs is the breeding ground of radicalism—for all such phenomena belong to the towns and not to the country.

By and large, our industries are now in a high state of prosperity. More favorable hours, more favorable wages, are today offered in industry than in agriculture. The industries are drawing the workers from our farms. If this balance in relative returns is to continue, we face a gradual decrease in our agricultural productivity. If we should develop our industrial side during the next five years as rapidly as we have during the past five years, we shall by that time be faced with the necessity to import foodstuffs to supplement our own food supplies. Some economists will argue, of course, that if we can manufacture goods cheaper than the rest of the world and exchange them for foodstuffs abroad, we should do so. But such arguments again ignore certain fundamental social and broad political questions. These dangers have become more emphasized by experience of the war. From dependence on overseas supplies for food, we will, by the very concern that will grow in public mind as to the safety of these supplies, soon find ourselves discussing the question of dominating the seas. Our international relations will have become infinitely more complex and more difficult.

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Unless the League of Nations serves its ideal, we will need to burden ourselves with more taxation, to maintain great naval and military forces. But of far more importance than this is that social stability of our country, the development of our national life, rests in the spirit of our farms and surrounds our villages. These are the sources that have always supplied our country with its true Americanism, its new and fresh minds, its physical and its moral strength. Industry's real market is with the farmer by the constant increase of his standard of living. We want our exports to grow in exchange for commodities we need from abroad, but we want them to grow in tune with our social and political interests, and to do so they must grow in step with our agriculture.

*In conclusion* we are in a period of high inflation and shortage of world production, and consequent abnormal prices. The tide is likely to turn almost any time. Some of the outrageous margin between the farmer and consumer will be remedied by the turn in the tide itself, for it will eliminate the marking up of goods and the opportunity of vicious speculation. The dangers of the turn are twofold. First, unless we constructively remedy the unnecessary margin between the farmer and the wholesaler the farmer will receive the brunt of

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the fall long before the supplies he must buy and the labor he must employ will have fallen in step. It will bring to him the greatest suffering in the community.

The farmer's position can be remedied by better distribution of the tax load, by improvement in our transportation system, by getting our markets free of impediments to free flow of competition, and by constructive improvement in our whole distribution system. The consumer will get relief from deflation, improvement in world production, and by eliminating the same wastes and unnecessary costs in our distribution system.

The second danger is that deflation itself will take place without constructive consideration. Great wisdom will be required on the part of our government in its great control of credit that it shall take place progressively and with care, in order that there shall be no sudden breaks, with their resulting demoralization, unemployment and misery.

We require a careful balance of general industry to agriculture. We cannot afford to build this nation into an industrial state dependent upon other lands for its food supply. We want our industries to grow, but we want agriculture to grow in pace with them. Many of our farmers made great sacrifices in the

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war; they do not want to be coddled in peace; but they must have an equality of opportunity with all the other elements in the country.

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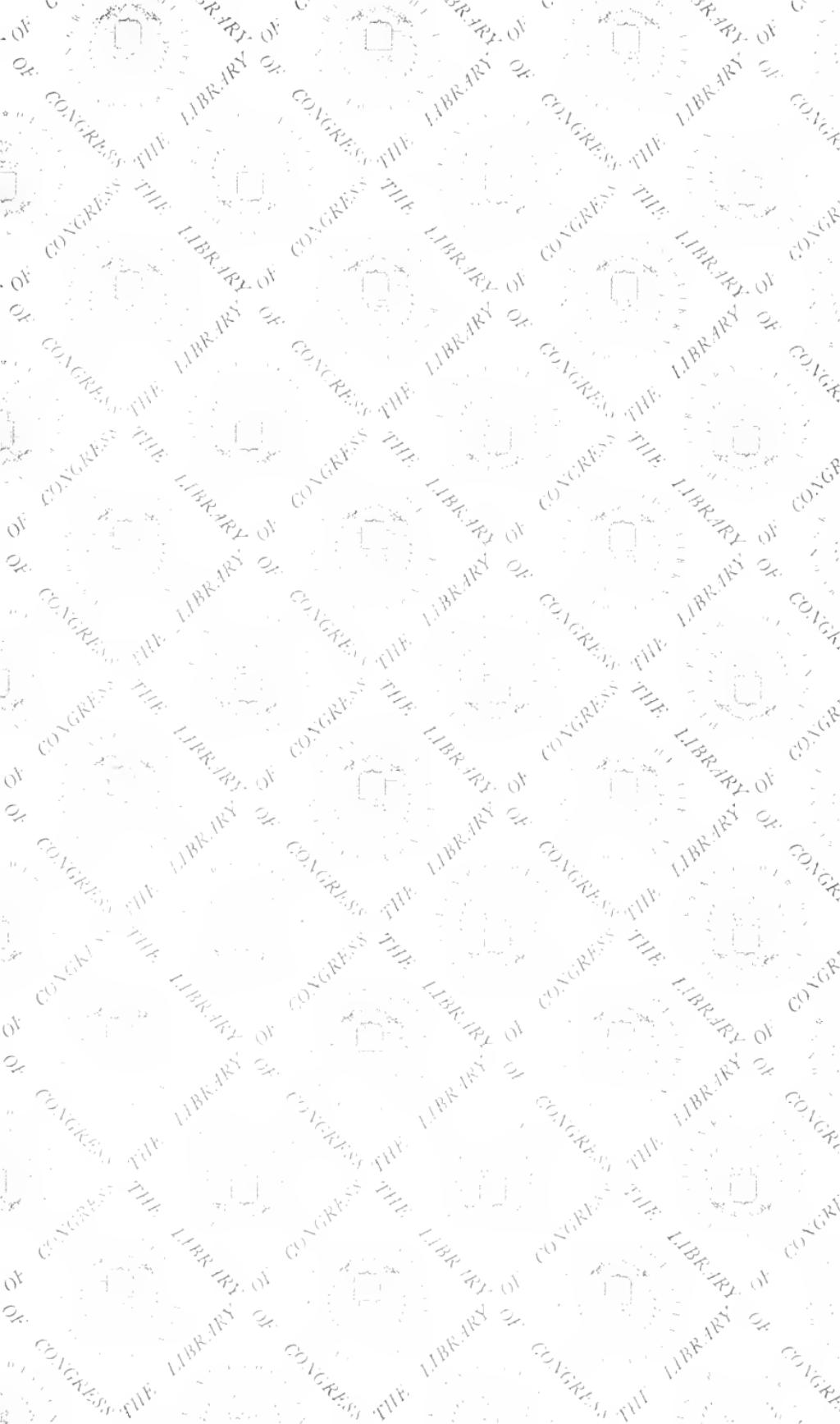
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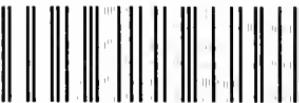








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